

# Maclean's

**AFTER  
THE MALTA  
SUMMIT**

## THE NEW FACE OF THE NDP

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# Maclean's

CANADA'S WEEKLY NEWSMAGAZINE DECEMBER 11, 1989 NO. 103 NO. 50

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COVER PHOTO BY GUY AROD

## COVER

### THE NEW FACE OF THE NDP



After four ballots, New Democrats chose Talon AP. Audrey McLaughlin is named Ed Broadbent at the party's leadership convention in Winnipeg. As federal leader of Canada's chronically third-place party, McLaughlin faces a large challenge: pendling over a party split between its devotion to socialist ideology and its desire to gain power by appealing to a broader base of voters. — 20

## WORLD

### AFTER THE MALTA SUMMIT

Amid the unprecedented changes sweeping Eastern Europe, President George Bush and Soviet leader Mikhail Gorbachev held a near-home moment in the Mediterranean off the coast of Malta. Steady weather forced a change of schedule, but their meetings had clearly been a resounding success. — 30



## THEATRE

### THE BROADWAY BUSTLE

In its busiest season in seven years, Broadway will have seen the opening of 21 new shows by the end of December. Several are star vehicles—including Orpheus Descending, with Thomas Haden Church, and 3 Penny Queens, with Sting. Grand Hotel, with a cast of unknowns, is a forgotten production. — 38



Cover photo: David Laundy/Photo 12



## LETTERS

### AT HOME ABROAD

The possibility of Prime Minister Brian Mulroney raising the issue of human rights with Soviet leader Mikhail Gorbachev is more when the rigors of constant Canadiana appear to be given little consideration by the Mulroney government. ("Mulroney: Isolated?" Canada, Nov. 26) We face the imposition of the Goods and Services Tax, cutbacks at defence establishments and Via Rail, thousands of job losses due to the FTA, prison closures and reduced unemployment insurance benefits.

J. Gregory Reese  
Charlottesville

Why are Canada's very rich developers not encouraged by the government to invest in their own country ("Do Russia with cash," Cover, Nov. 12)? Why are we so unprepared to be multinational? Our music venue in Louisville, Ky. How many jobs will this enterprise generate in Newfoundland? Prime Minister Mulroney and Saskatchewan? Since currency control in the USSR cannot be brought back to Canada, what good is such investment to the businessmen? Even the Newfoundland climate is better than Newfoundland.

John Mulroney,  
St. John's, Nfld.

"To Russia with cash," but with how? How much will the Soviet people benefit from a 60-story office tower sitting over a soccer stadium, or from a "pleasureland" for foreign tourists developed on a "prime site" in historic Leningrad, or from "the Mass" sold either for possible carnivals or at retail prices that are likely to be beyond the reach of the average Muscovite? Are such schemes really likely to contribute to the Russian that profit is not a dirty word?

Carl M. McMillan,  
Ottawa

### PEOPLE IN FLIGHT

I see that Mulroney has joined the rest of the Canadian media in tagging the Soviet East Germans as "refugees" ("In search of men," Cover, Nov. 26). As far as I can tell, these East Germans fleeing their country choose to do so not because they are being persecuted or because their lives are in danger, but because they are displeased that their government does not adopt the free-market economic system. By all accounts, those fleeing Germany are free to return to their country whenever they wish, with no reprisals. So what makes them "refugees"? And does this new definition apply to all other emigrants where people are disappointed with their government's choice of market relationships?

G. Lindbergh Nelson,  
Charlottesville



Mulroney: 'Little consideration'

### FLAWED ACCORD

We should be extremely critical in Premier Clyde Wells' ("A Get stuck in the Special Report, Nov. 26). Anything to do with the Constitution is far too important for passage by pressure and compromise. The Meech Lake accord is flawed. There is no way such an agreement should have been passed on a hurried, one-night session. Quebecers are that.

had Wells been at the Meech Lake summit, his weaknesses would not be under consideration for another year. There should now be a referendum, as Wells suggests.

George Goodhue,  
Preston, B.C.

There is not a chance Canada could survive if the Meech Lake accord were to pass. What we would have is a country better called "Quebec" with territories to the east, north and west ready to be abandoned. However, David Peterson is so in favor of the agreement. He could be half of the double-headed king of Quebec. Mulroney could be the natural magazine of Quebec and Mulroney, the permanent ambassador to the United States. Thank you for speaking out for Canadians, Clyde Wells. We need you.

Mary L. Slavic,  
Preston, B.C.

### 'ST. JOHN'

What and where is "St. John"? ("Escape from high costs," Business, Nov. 26) Is the city of Saint John in the province of New Brunswick?

Elizabeth C. Smith,  
Halifax

## PASSAGES

**EMPHASIS:** Ignorant Nadia Casanova, 22, whose dramatic performance at the 1978 Montreal Olympics captured millions of people around the world, from Russians to the United States, which awarded her political asylum. Earlier, Casanova—who said Olympic history when she became the first gymnast to achieve a perfect 10-point score—tragically crossed the Redwood-Huron border by car. The Russian Olympic coach told her mother, who returned from competition in 1984, to be a gymnast in a gymnasium in Leningrad, but being denied permission to travel or work abroad. At 17, she left, Casanova arrived in New York City on a commercial flight from Warsaw and said, "I wanted to have a free life."



**SUPPORT:** Mulroney suggests Julia Bowser, 74, as chairman of the five-member Security Intelligence Review Committee, the civilian watchdog group that oversees the Canadian Security Intelligence Service, by Prime Minister Brian Mulroney, to succeed Ronald Adcock, a former federal Conservative cabinet minister. Bowser, the founder of Radio Broadcasting Inc., which owns seven TV stations and one radio station, will receive up to \$550 a day for the part-time position of monitoring the activities of Canada's domestic spy agency.

**RECOVERING:** The 29-year-old Central Park jogger who suffered with severe brain injuries and blood loss following her brutal rape and violent beating by a gang of New York City youths last April that doctors thought she would die. The woman, whose

name has not been released, sustained 16 weeks of intensive medical care, a New York apartment built. Charges of rape and attempted murder are pending against six youths aged from 15 to 17.

**DIED:** Allen Alley, 58, the dancer and choreographer who founded the internationally renowned modern dance troupe that bears his name, if a blood disease, as reported near his New York City home. Alley was best known for his dance performances that ended in jazz, the blues and gospel music.

**DIED:** Arvid Andén Balder 80, whose paintings depicted traditional Quebec life along the St. Lawrence River, at his home in Kingston, Ont. He received an Order of Canada honor for his contribution to art.



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# "I don't need an investment manager"

AND OTHER COSTLY MISCONCEPTIONS.

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Let's assume you are approaching that limit.

In which case, the only thing standing between you and the establishment of a relationship with a professional investment manager must be one of the following misconceptions.

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## "My portfolio isn't large enough to warrant management."

Experience has taught us that this is the most common misconception of all. In truth it's a bit of a chicken and egg situation. The following is a general guideline. If your investable assets, excluding real estate, are approaching the \$300,000 level and are currently spread a little farther than your time allows you to reach, then you need a little help to pull things together.

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Michael Fleck, Regina  
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David Marston, Winnipeg  
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Jon Sheppard, London  
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## LETTERS

### GRADUAL RECOVERY

**A**s you mention in "Destroying the middle class" (*BusinessWeek* August, Nov. 6), 75 per cent of Canadians don't like the proposed Goods and Services Tax. Most of this dissatisfaction results from ridiculously leased and unreturned services such as those which appeared in that issue of *Maclean's*. Previous Liberal governments spent billions of dollars in a public relations effort, while steadily plunging our economy into dire straits. Partially as a result of these actions, about a third of all the government's revenue now goes towards paying interest on the massive debt. How can Canadians expect all kinds of social and economic programs if the government has no money? Though the government's plan of replacing the earlier and outdated tax on manufacturers, the national economy can gradually recover from its current state of despair. As a 19-year-old Canadian, I feel it's righting time to suggest what the country will be like when your previous issues' political responsibility of drastic economic reforms are not taken now.

Jan F. Arkive,  
Toronto

Middle-class taxpayer Roger Gale's cry of "Tax the rich" is truly resonant: it is the ultimate leitmotif in George Orwell's *Nineteen Eighty-Four*, when Winston Smith, under threat of torture, screams "Do it to Julia"—Julia being his lover in the novel. Middle-class taxpayers would get more sympathy if they screamed "Cut spending!" instead.

Hugh Rose,  
Dallard-les-Ouvrages, Que.

### ALBERTA'S ECONOMIC WOES

**I**n light of your story on Alberta's wretched losses ("The forest light," *Environment*, Nov. 13), I can only ask what will they infer? Alberta has sold most of its deeply untapped petroleum; recovery costs have made the production of new reserves uneconomical; given the current price of petroleum worldwide, New Alberta wants to sell off its northern forests as well. The answer to Alberta's economic woes is not to sell off its resources, but to establish a proper foot related to the oil industry's manufacturing and service base—which is what the Alberta and Canadian governments should have been promoting all along. Once the northern forests have been raped—and it is not just the loggers who commit "ecological holocausts"—what will Albertans have left except unemployment?

Bob Genderson,  
Lana Cove, Australia

Letters are edited and may be condensed. Writers should supply exact address and telephone number. Brief coverage appears in the Yellow Pages. Letters to the Editor: *Maclean's* magazine, *Maclean's* Reader Reply, 777 Bay St., Toronto, Ont. M5W 1A7.



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## ALTER EGO

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## LETTERS

### WANDERING BOUNDARIES

The Soviet Union has been undergoing some breathtaking changes recently, but the translocation of Moscow and Minsk from its southwestern border to its southeastern ("Happy Moldova," *World*, Nov. 12) is, to the best of my knowledge, not one of them.

Clive Purton  
Vancouver

### U.S. DOMINANCE

Alan Fotheringham's column "No flying suits for a holy boy" (Oct. 20) was authoritative and thought-provoking. He refers to the control the United States holds over Canada's film industry. Because the government is at last making an effort to encourage our film industry, and with the vast equipment trade a crucial part in Canadian (Canadian and film production, we must start attending and supporting Canadian-made films and plays. Hollywood distributors, politicians, like Elton John, a peer out of Canada. Our public is brainwashed into thinking that a film is not worth seeing unless it has the Hollywood tag. Thank you, America, for starting into the United States dominance of our movie of our industry.

Ruth Wynne  
Edmonton

It must be Fotheringham's well-known anxiety that allows him to write "you could read Madison's from front to back" while standing in line waiting to pay for it at Vancouver airport's case supervisor ("The normal steps is 'Never complain.'" Nov. 12). Everyone I know reads Madison's from back to front, because they always turn to this first.

Marques J. Dyer  
Guelph, Ont.

### 'INDICENT LANGUAGE RIGHTS'

Perhaps the choice of a unilingual anglophone governor proved as apt as appropriate ("Language: double standards," *Letters*, Nov. 18), but those of us outside Quebec would sympathize with Georges Lussier's anti-anglophone views if not for the pathetic circumstances of the English-speaking population of Quebec. The lack of language rights affected them is inherent and a sign of the fact to such provinces (New Brunswick), which has made a solid attempt at true bilingualism. Before as young Madison of being upset. I encountered the Quebecers deal with the problem of having been by looking the way in Quebec and equality of language rights. Quebec might prove an example for the rest of the country to follow.

Colleen D. Ford  
Calgary

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## OPENING NOTES

Jack Kent Cooke goes on the offensive, Ben Johnson flies first class, and the Montreal Canadiens leave a hefty tip

## PASS PLAYS BUT NO SCORE

Ten winners of the Montreal Canadiens hockey season displayed some slick, cool plays last month when they dropped into Live Ball, a popular Manhattan bar that is owned and operated by four New York City fashion models. According to Naryn Coppola, a model who waited on their table on Nov. 7, the hockey players ran up a bar and food bill of \$1,500 during their three-hour stay. They also left her a \$150 tip and spent another \$320 on three bottles of Dora Perignon champagne. One of these bottles they sent to a table that was occupied by four models—where the players otherwise left alone.



Consider again 'with horse' accounts:

Coppola, who acknowledged that she's never been a heavy teet, told that she had learned from a co-worker who "the guys with the funny accents" were. Added Coppola: "After that, I kept telling them the Coppolas' Memento-by-memento." The 59-year-old waitress model told her the unlabeled players had been planning to serve and eat nothing that I could eat her. Still, she expressed amazement at the amount of snitch and tequila that the players drank. Said Coppola: "They brought whole bottles with the sports and not just poured some other shots." As a result, Coppola predicted that her customers would need a week to recover. In fact, the Chronicle showed that the players were still in the hospital the night after the team defected to the New York Yankees for a season of 3-3.

### Running hard for easy money

**B**on Johnson was a lucrative presence at commercial endorsements when drug tests at the 1986 Summer Olympics revealed that he had used steroids to enhance his performance. Still, Johnson occasionally cashes in as an actor (notably *L.A.*) work. Johnson, his mother, Gloria, and late lawyer, Edward Fierman, accompanied by his wife, as well as an all-star band of Johnson's who also look alike as *Air*, flew first-class to Paris. There, Johnson and his entourage enjoyed a hot Friday-day stay in the luxury hotel Sofitel—where he will be performing—who waits for the TV channel TVE1, that he took up the tube—and paid Johnson a \$30,000 fee to return. Johnson appeared on TVE1 evening news broadcast and performed a song about drugs and discussed the role of drugs in sport. On that Tuesday program, a released Johnson



Expenditure from airfare and accommodation

expressed the hope that he will be allowed to compete in the 1992 Summer Games in Barcelona. Said Johnson: "I am sure I will be able to beat anyone—so long as other athletes are not taking drugs." In the meantime, he is taking TF1's money—and hoping to run

## PICTURES IN A MAGAZINE

Since it first appeared in 1923, one of the hallmarks of *The New Yorker* has been a constant format—apart from such alterations as the 1969 introduction of a table of contents. Now, some staffers say that editor Robert Gottlieb is planning a dramatic change: introducing photographs. *New Yorker* spokesman Rhonda Sherman would not confirm that such a step is under consideration, but other staff members say that several photographers have already submitted portfolios. Change comes even to *The New Yorker*—the pace is just more controlled.



Cooks (left): Martin and their daughter Jacobellis material success

## THE SUITS OF A BILLIONAIRE

**H**enry Haulander, who went on to become a real-estate tycoon and the owner of the Wisconsin Badgers of the National Football League, met his twenty-year-old girlfriend, Jennie Cooke, at the University of Wisconsin. Cooke's three sisters had already been in divorce, and his first wife, Barbara Jean, named a place in the 1979 Guinness Book of World Records when she divorced a 340-millionaire settlement. Cooke

third wife, Suzanne Martin, whom he divorced last year after a 73-day marriage, is currently netting a \$17.5-million settlement. But just last week, Cooke himself went on the offensive, launching a \$30-million bid out against the Washingtons. According to Cooke, a tell-all interview with his former chauffeur, Harold Turner, which appears in the monthly magazine's current issue, "is replete with scintillating bits." If it reaches court, that suit is certain to draw heavy coverage.

## Bare facts on skin care



Cover girl Jane Jones  
in happy rendering

It is advertisers include costume designers and the distributors of sexually explicit videos and it counts among its readers customers of establishments offering a popular entertainment—discotheques—during a "Strip" as debut last March, *Californian Canadian Stripper Magazine* has an independent print run of up to 25,000 copies. The beautiful magazine, which is distributed free in approximately 300 strip bars across the country, features articles aimed at both professional strippers and the general public.

The recent story, entitled "Stripper on the go," provided tips on skin care and discussed the difficulty of maintaining "that healthy glow" in the smoke-filled stompers of a bar. Other regular features range from profiles of strip clubs to coverage of such events as The Miss Nude World Contest, a competition that is rumored to have staged in 1979 a contest against the Miss America pageant to be won by a stripper.

Editor and publisher Robert Abner is considering selling the magazine on newsstands next year. According to Abner, "Stripper" already has a huge following that number: "Abner: 'Everybody likes to claim that they have a large penis—longer, thicker, but I think I have a very long one.'"

Abner's magazine appears to be winning a lot of attention from the media. One recent article in the *Los Angeles Times* mentioned the magazine as the



Cover girl Jane Jones has a huge readership

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## A FORMULA FOR RETRACTION

The Ottawa Citizen recently carried a story about the poor mathematical skills exhibited by many of the city's advanced Grade 10 students. As to test readers' abilities, the Citizen included a headmaster of its own calculating the surface area of a site. One day later, however, on Nov. 23, several readers telephoned to say—correctly—that the newspaper had provided the wrong answer. The Citizen then printed a correction that included the formula that its editors had used to get the answer. But that correction in turn generated calls the new answer was right, but the editors had printed the formula for volume instead of surface area. Said Citizen staff writer Tom Ransome, "Volume 10 months is teacher time. It took..."

## SEEKING HELP FROM ABOVE

For Davey Small, the early part



*Small: a proper  
Sw: a peasant*

**Smells a proper for a reporter**

*Canadian-made  
protection*

Since bacteria diagnosed Canada's first case of AIDS in 1982, an emphasis on sexually safe sex has dramatically increased the sale of condoms, all of them imported. But next May, Canadians will be able to buy locally-made condoms when Galewood, Que.-based Intimates America Inc. opens a \$9-million condom-manufacturing plant. As condom sales rise—topping \$21 million across Canada this year—Intimates chairman Joe Efford told Maclean's that he expects to produce 100 million condoms a year in his Canadian plant by 1991. *Safe sex begins at home.*



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## ANOTHER VIEW



# Even shopkeepers need a day off

BY CHARLES GORDON

**H**aving a rare Monday off, a Canadian decided to make the most of it. He compiled for himself a list of chores that would normally be done on a Saturday, except for the groceries, which he would have to do on Saturday or, at the very least, on Sunday. He then went to the bank—wouldn't he be surprised to find the bank closed? He then went to the post office—wouldn't he be surprised to find the post office closed? He then went to the hardware store—wouldn't he be surprised to find the hardware store closed? He then went to the hardware store—wouldn't he be surprised to find the hardware store closed?

"Closed Mondays," the sign said, then went on to list the hours from Tuesday through Saturday during which the major stores were open and of little use to a Canadian with Monday off.

"What," the Canadian said, "is there to that effect when he saw the sign that when he thought about it, he was shocked to find that he wasn't really around at all. 'Good for Jack' was the thought that kept creeping into his mind as he pondered his situation. One of them was to drive that evening to some great suburban shopping centre that would certainly be open and might have an electric razor clinic in it. The other was to leave the electric razor in the trunk of his car and wait until the next time he was in Jack's neighborhood on a Tuesday through Saturday. He decided to do that, and drive off not at all dismayed at all, merely wondering why electric razors had clinics and other appliances—say, toasters—didn't.

There were other things he could do on a Monday, although he couldn't get his time cut—at least not at the usual place, the usual place after being closed Mondays. There were other barber shops open Mondays, but he liked the one that wasn't, and he wasn't annoyed at it either for being closed.

It was unexpected, that was it. There were whole portions in the world that accom-

modated. There were places in the world with no electric razors, no toasters, no toaster toasters, no stores, no Mondays off, no closures, no least, hardly any but for sale and hardly anyone with the money to buy it. In Canada, that didn't cut much weight with consumers who were constantly demonstrating that stores be open at all hours during all days, just in case they happened to be in the mood to buy something at dawn on Tuesday or 11 a.m. on Sunday.

The thing that made the Canadian say "Good for Jack" was the knowledge that Jack was backing the talk, that Jack would take Monday off on neither what Jack was his own zone, but as the guy who owned the barber shop was his own man. Potential customers would appreciate. Shopping centres would apply pressure on their owners. Manufacturers would tighten Sunday openings and longer evening hours. But the razor clinic would stay closed Mondays, and a few loyal customers would respect Jack for that and come in Tuesdays.

The hungry millionaires that own too many of our stores forget it, too, but there are places in the world where stores that close on the weekends for a few hours, every day

There are countries that are shut down each night on Sunday than Canada is. There are countries where the stores close earlier than in Canada. The stores survive, not so do the revenues and so do the customers.

Not long ago, it was the tradition in many smaller Canadian communities for businesses to close Wednesday afternoons. In the new weather, the golf course would be full of shopkeepers and Mrs. Rivett would be closed at shops. The tradition survives now only in the hearts of the most substantial businessmen. Encountering the "Closed Wednesday" sign on the door of the oldest and best hardware store is a constant reminder to the potential buyer of a certain type of huge sign "Wait," then think about wandering over to the mall, which will be open, and decide whether to close back the next day.

The huge malls that are the chain stores at the mall, but it will come packaged with five other unwanted things, tightly wrapped in plastic, and no one at the store will be able to answer the slightest question about the goods.

Thus, however, may be the last important factor in the potential customer's decision to choose the mall and return on Thursday to the hardware store that was closed on Wednesday. Loyalty and individuality are at the heart of it. It is feared that they are vanishing together, but perhaps they are. In every community, there are places of business that close Mondays. There are others that shut down early on Saturday or otherwise on Wednesday. Still others actively campaigning next week could be a profitable time for them—Sunday opening, still an untried move in some Canadian provinces.

For each individual businessman, there is a core of loyal customers who may keep coming back—out of respect for the better's courage in defying the trend, or simply because that is where the best haircut is.

Probably, as long as there is small business there will be businessmen with individuality and convictions. Those who get the most attention, it is true, are those who get the other way who campaign for Sunday openings and open their stores on Sunday to the public who charge them each Sunday. Such shopkeepers are treated by the media with a reverence formerly reserved for the great martyrs of history. The media, of course, know their audience: no one is more popular, in a society of religious converts, than a shopkeeper whose door is open.

Canadian, who increasingly take their real freedom for granted, somehow regard it as a violation of their civil liberties to be denied the right to be open five days a week and every day. It may not be an exaggeration to say that Canadians would rather vote.

The political reality reflects that more and more. The trend to it opposes, seven days a week, but it is to be hoped—and to continue more retail enterprises that can afford to be open every day and could eventually drive the smaller outlets out of business. In such an environment, the shopkeeper who dares to close his door is even more deserving of having the world send him a pat on the back.

## BATTLE FATIGUE

**D**avid McCaig, strolling confidently into a Toronto courtroom on Oct. 30. The federal Crown prosecutor is looking forward, as he usually is, to presenting a strong case against the four defendants awaiting trial. The case was charged with inflicting and conspiracy to traffic 15 tonnes of cocaine—estimated to be worth \$85,000 on the street. After winning similar cases in the past, McCaig had asked for prison sentences of up to five years. But it was not to be one of those times. Ruling on a motion from the defence, Judge Stephen Borins dismissed all charges against the men on the grounds that they had been deprived of their right "to be tried within a reasonable time," as guaranteed by the Charter of Rights and Freedoms. In fact, it had taken 3½ years to bring the men to trial from the time of their arrest. The reason, delays caused by what Borins described as dysfunction as an "overburdened justice system." With that ruling, the four men walked free, the beneficiaries of a national justice system dangerously overburdened by its explosion in drug cases.

In a display of public anger rare for a Crown attorney, McCaig looked out last week at a

## THE WAR ON DRUGS FALTERS AS OVER- WORKED COURTS SEND SUSPECTED DEALERS BACK ONTO THE STREET

shortage of courtroom prosecutors and judges. "I am disgusted that criminals could be walking the streets because of a lack of courtroom justices," McCaig told *Maclean's*. "The public has a right to know that they are getting screwed by the justice system."

Indeed, Borins' dramatic ruling reflected a problem that has been rising alarm throughout the law enforcement community. Led by Ottawa's 1985 national drug strategy, govern-

ments at all levels have given additional money to police forces in order to combat drugs. The police, in turn, have vastly increased the size of their drug squads—in several cases doubling the number of narcotics officers—and drug arrests have ballooned. But the same governments have not matched that effort with additional courts or prosecutors. As a result, Crown prosecutors say that they have been forced to rely increasingly on plea bargaining, traffic infractions charges to return for a guilty plea in order to get cases through the courts. For many of them, the alternative has been even less acceptable: muzzling the role of bringing cases through out of court due to delays.

The crisis in the courts is most acute in Toronto, where many prosecutors handle up to a dozen trials daily—twice the case load they had three years ago. But it is also a serious problem in Vancouver and Montreal. Said Vancouver lawyer Howard Reilly: "The drug strategy is great public relations but it will have an effect whatsoever on the drug problem."

Part of the problem is caused by a decision of the federal justice department not to expand its staff of Crown attorneys, the government's prosecutors. *Maclean's* has learned that, in January, Associate Deputy Justice Minister Douglas Robertson told a meeting of prosecutors at the Toronto office that to secure Crown attorneys would be better funded, he said that the office could refer more prosecutions to private lawyers and legal firms retained by the federal government. While the number of department prosecutors across Canada has remained at roughly 126 since the Conservatives came to power in 1984, the number of private agents has increased to more than 1,000 from just over 600. But critics say that private lawyers are more costly than full-time Crown attorneys, less experienced in drug cases and often released according to their political allegiance (page 17).

Under federal government guidelines of responsibility, it is up to Ottawa to provide prosecutors for drug cases everywhere but in New Brunswick and Quebec—where provincial prosecutors handle most cases. As well, the federal justice minister is responsible for appointing—and paying—many of the judges who preside at drug trials. But their part, prosecutors provide the court buildings and staff. Ottawa says that a backlog has resulted because both levels of government have failed to provide enough resources. "We have gotten pretty far from money at the drug problem," said Crown attorney McCaig, "let them be throwing it where they can get the most

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Toronto police arrest a suspected trafficker; many are charged, few jailed

potential mileage. You don't get mileage by saying, "We're holding more courtrooms."

For his part, Ontario Attorney General Ian Scott said that the province had taken measures to improve the efficiency of courts plagued by "significant backlog" in the Toronto region. He added that Borins' ruling arose "either because of a lack of judges and courts, or a failure of the case assignment system in district court"—mean other federal provincial responsibility. In Ottawa, Robertson said the backlog "is a dilemma." Said Robertson, "We're just as frustrated as anyone about this."

Still, Borins' ruling was a startling reminder of the gathering crisis. The four defendants were arrested in May 1988 after undercover police purchased 15 tonnes of cocaine from suspected traffickers. But after waiting five months for the police report, prosecutors were unable to get court time to begin a preliminary hearing until May 1987. Since then, no courtroom was available for the time requested, and

trial is likely to accostimate as a result of the Toronto police department's having about doubled the size of its drug squad to about 200 officers this year. But, at the same time, the federal justice department has added only two new Crown attorneys to its Toronto office since 1985, bringing the total to 29. And at the past four years, only one new provincial court has been added to the two in Toronto previously designated for drug cases.

The shortfall is particularly apparent at the cramped provincial court at Toronto's Old City Hall, where all drug suspects arrested in a metropolitan area of three million people appear for bail hearings. Last August, that court handled 4,500 suspects, up from 1,500 a month in 1986. Said William Corbett, a federal justice ministry official: "It's a pain." Still, Ontario's Scott says that most defendants can get a trial within four months. He added, "The provincial courts in Toronto are working fine." In Vancouver, the number of people charged

## National Notes

## THE INDEPENDENCE OPTION

Opening a new season of the annual assembly, Quebec Premier Robert Bourassa warned that Quebecers could seek independence if the Meech Lake accord is not passed.

## LEGION IN COURT

Outsiders yelled shots at convicted killer Allan Legere as he entered a Montreal court, where he pleaded not guilty to three charges in connection with his May 1986 slaying of a woman, leaving a life sentence for murder in New Brunswick was imposed near New Brunswick on Nov. 24 after an extensive hearing. Police said that he is the most violent in a string of four brutal murders in the province's Montreal region.

## A COVETED DENIED

Former Newfoundland police chief John Lawlor appeared before the province's royal commission into sexual abuse in a plea to resign from his second and last 1979 appointment into the judicial system of boys at the Mount Carmel orphanage in St. John's. The Christian Brothers, the Roman Catholic lay order that runs the orphanage, announced that the 50-year-old institution will be closed. Many members of the order are the fathers of the boys who are being charged involving sex with boys at the orphanage.

## UNCERTAIN CHARGES

In Montreal, the Crown announced that no charges will be laid voluntarily against the driver of a car that struck Olympic gold medal swimmer Vassil Davas on Nov. 11, resulting in his death. A woman's injury will be held open to investigate the accident.

## ABORTION LAW OVER A HURDLE

The House of Commons voted 164 to 154 to send a proposed abortion bill to a committee of MPs for further study. Debate on the bill, which would allow abortion if a doctor determined that a woman's mental, physical or psychological health were threatened, was interrupted twice as opposing politicians were evicted from the Commons without gallery.

## JUDICIAL COMMITTEES

Justice Minister Douglas Lewis ruled out disciplinary action against a B.C. judge who gave a suspended sentence for teaching a three-year-old girl the sexual ropes. Lewis said that it is up to the Canadian Judicial Council to deal with Judge Peter van der Horst's commentary that the child had been "sexually aggressive."



McCaig: the public may be the real victim

with cocaine seizures during the past four years has increased by a startling 266 per cent to 1,393-a ton in 1989. But in the same period, the federal justice department's Vancouver office—which is staffed by 32 prosecutors—has hired only one new Crown attorney. And one prosecutor at the city's provincial courthouse last week: "The courts are triple-booked." That problem is likely to worsen with the Vancouver police department's announced intent last month that it plans to increase its 15-member drug squad by seven officers.

Prosecutors are also striving to deal with increasing arrests in Montreal, where the police department has doubled the size of its drug squad to 54 officers since 1987. In the same time, no new courts have been opened. Meanwhile, there is an increase in drug cases in other such as Halifax and Calgary, but courts are not yet overwhelmed.

Meanwhile, even some defence lawyers have joined prosecutors and police in recognizing that the situation in some cities is playing into the hands of drug traffickers. In particular, they say, plea bargaining is being extended to increasingly serious crimes. According to Paul Copeland, a Toronto defence lawyer with 23 years of experience, defendants arrested with one pound of heroin and charged with possession for the purpose of trafficking "frequently agree to plead guilty to the less serious charge of possession—receiving a fine instead of a prison term. The same practice, said Douglas Bethune, an undercover Toronto police officer

involved in drug investigations, is now being applied to cocaine trafficking charges.

In one instance late last month a 41-year-old businessman was charged with possession of a small amount of cocaine for trafficking—an offence that normally carries a jail sentence—pleaded guilty to the lesser charge of possession after a suggestion from his lawyer and prosecutors. The defendant, who had a previous conviction for assault, was fined \$300. Sent one year in attendance.

"If there weren't so many cities as court that day, the prosecutor probably would have taken it to trial as the main serious charge," acknowledged one Crown attorney. "There is more pressure to take softer sentences in plea bargains than there would be if we had the luxury of a courtroom to take a case to trial."

Toronto's chief federal prosecutor, Graham Kennedy, decried last week that Crown attorneys are trading reduced charges for guilty pleas. Declined Kennedy: "I have heard nothing from the police about the problem." But, for his part, Copeland said, "There is no question that the backing is a real snarl from a defence point of view. I use it to bargain."

The unintended effect may be that the drug problem will worsen as traffickers conclude

that they face declining penalties. Said McCoskill: "If you charge people, bring them to court, and the court cannot deal with them, then the arrest process is meaningless." Added Sgt. Paul Gaffner, a Toronto pleads-for-offence officer: "There is no deterrent value when the sentences they are getting are a joke."

That seemed to be the conclusion of one young cocaine seller at Toronto's last week. On a rainy, window-peering evening in one of a downtown high-rise apartment building in a north-western suburb, four black youths spring forward as a car pulled to a stop. The youths, wearing hooded parkas and leather jackets, pointed each other in they thrust their hands bearing rocks of crack wrapped in plastic through the car's open window. "How much you want?" they shouted at the driver. When one said he was charged with \$150 for a quarter gram, another shouted, "A hundred"—and got a customer. Asked he was afraid of being arrested, one of the youths replied, "Hey, if they do me, I'll be back here tomorrow night doing the same thing." For that trafficker, there was clearly no deterrent, only widespread indifference against drugs.



Crack is as detested

ing \$150 for a quarter gram, another shouted, "A hundred"—and got a customer. Asked he was afraid of being arrested, one of the youths replied, "Hey, if they do me, I'll be back here tomorrow night doing the same thing." For that trafficker, there was clearly no deterrent, only widespread indifference against drugs.

PAUL KAHILA with GREGG WOLF in the owner and DAN BURKE in Montreal

## The cost of patronage

Ottawa privatizes its prosecution force

For St. John's, Nfld., lawyer and prominent Conservative party donor Francis O'Rourke Fowler, Brian Mulroney's 1984 election victory presented a welcome change in government—and in personal fortunes. Since 1987, Fowler's name had been on a list kept by the federal justice ministry of so-called standing agents—private lawyers hired on contract to act as lieutenants of Ottawa. But, for 17 years, as Liberal governments held power in Ottawa, Fowler received few calls. Instead, most federal cases went to Liberal lawyers—among them Clyde Wells, now Newfoundland's premier. But since Mulroney's victory, the federal government has hired Fowler's firm to prosecute most of the drug cases in Newfoundland. Work that earned the firm \$340,765 over 18 months between 1988 and 1989 alone. "When the government changed, they were phased out, and we were phased in," said Fowler. "It is a form of patronage."

Federal governments of every stripe have hired private agents for decades. But since 1984, their number has doubled to more than 1,000—while restaurants on hotel service bring



Scarabridge drug cases are booming

have left the number of staff federal Crown attorneys frozen at about 120. Yet the agents cost Ottawa \$17 million in fiscal 1988-1989, almost triple the \$9.2 million that the Liberals spent during their last year in office. Much of that income has been driven by a ballooning requirement to prosecute drug offenders.

But critics attack Ottawa's growing reliance on private prosecution as several fronts. One is cost. In contrast to the typical \$150,000-a-year salary of a Crown attorney, one Toronto standing agent, doing the same kind of work, billed the government for \$174,900 last year. Declined Toronto defence lawyer Paul Copeland:

"It increases the deficit without adding the number of civil servants." In Vancouver, defence lawyer Philip Scarabridge said that agents selected on the basis of their political connections don't always have the experience necessary to win convictions. He added, "Defence lawyers run guns around there."

Last week, associate deputy justice Minister Douglas Hurdston defended the use of the agents. "These are highly qualified criminal lawyers," he said. Indeed, agents prosecuted a complex case in which two men were convicted of trafficking cocaine in Fredericton last month. But there is little disagreement among lawyers on one point: federal assignments come and go with the changing of the political guard in Ottawa.

PAUL KAHILA with LISA HAY DENBY in Ottawa and RUSSELL WINGGERSBY in St. John's

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# Taxing choices

Some Tories are now pressing for a lower GST

It is decision time for Finance Minister Michael Wilson. At issue is the fate of his proposed Goods and Services Tax (GST), really the most controversial item on the government's legislative agenda. By Dec. 20, Wilson is expected to introduce a bill in Parliament to empower the government to impose the new tax starting on Jan. 1, 1991. The shape of that legislation will reveal whether, or by how much, Wilson has bowed to the inflation pressures on him since he unveiled his preliminary proposal for a nine-per-cent rate last August. Economists, business groups, provincial finance ministers and various interest groups, from shopkeepers to librarians, have mingled in with their criticisms of the proposal. Last week, Wilson heard from his fellow Tories who dominate the House of Commons finance committee. Reporting their conclusions after conducting two weeks of hearings on the tax proposal, they recommended a total of 26 changes, some of



Vancouver construction: a call to tax all housing

them, such as lowering the tax rate, labelled as absolutely fundamental.

Wilson publicly thanked the committee and its chairman, stockbroker Toronto-area MP Donald Bleaney, for producing "a useful piece of work."

But even Conservatives MP's say that they have been stunned by the density and breadth of opposition to the proposed GST, which would apply to almost all purchases except for basic groceries, financial transactions and drug prescriptions. And even Tories worry that the anger, often expressed personally against visiting their offices on weekends, is evident to Wilson. Privately, many acknowledge that the minister must lower the rate or risk doing irreparable harm to the government's public image.

"There will be trade-offs, political versus economic," said one adviser to Prime Minister Brian Mulroney. "It is clear that Canadians don't like the original package."

Reinforcing that point, the finance committee, which heard from 274 witnesses, recommended cutting the GST rate to seven per cent. Bleaney, noting that many economists who testified "seem to agree that a nine-per-cent tax could cause a large increase in consumer prices, and that a lower rate would be less disruptive. But the committee also recommended measures to make up the revenue that would be lost by lowering the rate."

It called on Wilson to eliminate a proposed seven-per-cent GST on the middle-income tax rate and to apply the GST to sales of all homes, old or new, at a rate of five per cent. Wilson proposed applying the GST only to new homes, with a

rebate system reducing the tax for most buyers.

The four Liberal and two Conservative members of the 34-member committee, however, refused to endorse the Tories' majority recommendations. Instead, they filed separate reports, both calling for a thorough review of the tax system. But the Liberals offered no specific alternatives. But the six members calling for the GST to be scrapped, printed out new bills that could be introduced in its place. Among their recommendations, a wealth tax and the removal of tax breaks for business entertainment expenses.

In the Commons, quickly moved for both parties strangled Bleaney's call for a tax on all home sales. NDP finance critic Lorrie Nyström accused the chairman of "starting a full-scale war on the first-time house buyer." Added Liberal MP Joe Pustino: "A tax on housing is not a tax on consumption. It is a tax on a dream, an savings, on a basic element of life."

The exchanges in the House underlined the pressure that is building on Wilson to amend the GST. Both the minister and Mulroney freely acknowledge that the proposed tax is enormously unpopular, but they insist that it will be better than the

current federal sales tax, which is designed to replace it. Still, after visiting constituents, many Conservatives have returned to Ottawa with one pointed message: that the Liberal government must be seen to be cutting its own spending before appearing to increase the burden on taxpayers. One adviser to Mulroney repeated that, at a recent Tory caucus meeting the MPs "were almost hysterical. I thought they were going to break out in a cheer of 'Cut, cut, cut!'"



Mulroney: 65 proposals

As assistance to the current minister, Wilson was trying to reshape his strategy for promoting the tax. On Oct. 25, he brought a former assistant deputy minister of housing and TV reporter, Peter Danell, back to his department as a temporary adviser to help smooth the passage of the GST. Danell, who was unseated from his post office position in an assistant deputy minister at the department of external affairs, received considerable credit from many Tories for designing and implementing the so-called "tax increase contained in public utility. Even so, at least one senior official in Finance remained pessimistic last week about the chances of making the GST

palatable to the public. "That thing is a pig," he said. "Nobody could sell it."

Still, one senior Wilson adviser said that the government would likely adopt many of the Bleaney committee's recommendations, which, he said, included "some ingenious ways of tidying things up." But he added that the central issues—the taxation of housing and the actual rate—were still undecided.

For his part, Bleaney questioned whether Wilson and his advisers would propose fundamental GST changes to undercut, he added, "The problem in price of authorship. They don't want to admit to flaws." In an attempt to overcome that resistance, Bleaney last week began his own campaign in support of changes to the tax. In Ottawa, he lobbied fellow Tories and spoke for hours with parliamentarians from across Canada to argue his case.

Atwell, the chairman enlisted the support of Michel Colvère, a Montreal lawyer and accountant, who helped draft the committee's report and who has been a part of Stanley Hart's, Mulroney's chief of staff and a former deputy finance minister under Wilson. Bleaney told Mulroney that he asked Colvère to press Hart to support the minister's recommendations. That in the end, it will be Wilson who takes the final proposal to cabinet, probably next week. Until then, the lobbying in Ottawa will not be fierce.

MIKE CLARK with LISA HOY DODSON in Ottawa

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For your favourite Wise man.



For your favourite Santa.



For your favourite Grinch.

# THE NEW FACE OF THE NDP

AUDREY McLAUGHLIN BECOMES THE FIRST WOMAN TO HEAD A NATIONAL PARTY IN CANADA



It was, at times, an unusually brutal political display from a party that prides itself on benevolence. But in the end, the New Democratic

Party leadership convention delivered the predicted showdown between its two leading candidates. And it culminated in a new era in North American politics when Audrey McLaughlin staved off a late challenge from former B.C. premier David Barrett to become the first woman to lead a major national political party. Her victory capped a race in which McLaughlin led from the start. But little else that occurred at the charged proceedings of the Winnipeg Convention Centre last Saturday unfolded according to expectations. McLaughlin's turbulent road to victory was marked by dramatic swings in mood, momentum and political allegiances. And when she finally captured the party leadership by 144 votes after four ballots, an exuberant McLaughlin plaid got stuck, under her leadership, the New Democrats had launched "a revolution."

With her victory, McLaughlin, 53, shattered the leadership mantle of Canadian democratic socialists that has been passed down from such legendary political icons as J. S. Woodsworth and Tommy Douglas. But in the former social worker's rejection of long-time leader Edward



McLaughlin's leading "a revolution" on a turbulent road to victory in Winnipeg

Brennan, McLaughlin inherits a party that is increasingly preoccupied with being seen as policy and in danger of being eclipsed by the periphery of national politics. In fact, the convention demonstrated that the party was willing to postpone any detailed debate over who it wants to stand for in the 1990s.

Charmless in large measure, the party made its choice between two leadership styles, foraking the outsize charisma of Barrett for the unknown potential of a second-from-last

from the top. Polson who promised to bridge the party's numerous divisions (page 23) but it also turned its back fully on Barrett's disstyle stampede socialism in favor of a badly defined vision of a new kind of politics under McLaughlin. And, not as importantly, in its rejection of Barrett, the party appears to hold out a slim olive branch to Quebec, the province where it has historically been viewed with the most suspicion. At the onset of his national campaign, Barrett had harshly discussed Que-

bec's demands for a constitutional settlement with the rest of the country. McLaughlin, although she voted against the Meech Lake accord in Parliament, said that she accepted Quebec's five autonomy conditions for such a settlement—acknowledging the contentious constitutional recognition of the province as a "distinct society."

Much of McLaughlin's victory can be attributed to superior and well-timed organization that spent more than \$500,000 raised from 5500 candidates—35 times as many as Barrett. The strength of that organization enabled McLaughlin to rebound after she delivered an amazing speech to delegates on the night before the balloting. McLaughlin's ability to withstand Barrett's late charge was a tribute to the breadth and depth of her support: a coalition that included an aggressive feminist wing determined to see one of their own achieve office; an affluenced array of the party's Ontario establishment; and those delegates, including about 40 of the 65-member Quebec delegation, who refused to back Barrett at any price.

The message in her victory said defeated candidate Howard McCurdy, was "that it was time to change this party." Defeated Pat Barrett, the seeds of his later defeat were sown from the day he declared his last-candidate campaign in September and was immediately tagged as McLaughlin's main challenger. Barrett's statements at his Ottawa news conference, attacking the "sympathization with Quebec" in federal politics, branded him throughout the race.

For a time, however, it appeared that Barrett's populist appeal was what the party thought it needed to match the political and emotional skills of Conservative Prime Minister Brian Mulroney and the man whom most New Democrats consider the most likely successor to John Turner as Liberal leader, Jim Chrétien. Barrett was only 56 votes behind McLaughlin as the first ballot.

But that was just the beginning of a four-day showdown and evening of allegiances made and broken. After the first ballot, Vancouver-area MP Ian Millard, who had earlier called for a boycott of long-haired fringe candidate Roger Lagasse of Seattle, B.C.—re-elected his 213 delegates to be "free spirits." Then, he cut through the crowd to join Barrett. Washouk-area MP McCurdy and Toronto legislator, with cautious first-ballot support of 687 votes, formed a western Ontario coalition at the urging of Ontario star leader Bob Rae.

But McCurdy's support for Lagasse proved to be a mere flirtation. After the second round of balloting, with McLaughlin holding an even slimmer 48-vote lead over Barrett, McCurdy crossed to the McLaughlin camp. Sam Leck, Gerard, Ontario director of the United Steel-

workers, who received McCurdy to McLaughlin's side. "I told Howard we had to make changes in the party. Lagasse couldn't win."

Lagasse, to the point of some, showed in the race well he was knocked off after the third ballot. By then, Saskatchewan MP Simon de Jong had also thrown his support behind McLaughlin, emboldening Barrett, who had been assured of his support by de Jong's top organizers. In fact, Barrett had already left his seat to meet de Jong halfway when he learned that his western colleague had slipped into McLaughlin's corner. Replugged de Jong "My head and David, but my heart went Audrey."

Finally, McLaughlin's victory came without the traditional blizzard of later support that have proved to be electoral handouts for some star leaders in the past. Although McLaughlin had individual pledges of support from such union leaders as Gerard and Canadian Auto Workers president Robert White, an labor leader claimed to be able to deliver a substantial block of votes. And the thousands in labor were assembled when Canadian Labour Congress president Shirley Carr, whose organization endorses 2.3 million workers, made an emotional last-ballot endorsement of Barrett.

As they emerged from the night-month leadership battle, the New Democrats must deal with more than simply the divisions that have been drawn among the various leadership camps. The roughly 3,600 delegates who voted for their new party leader in the end left themselves too busy to bring the party into the Canadian political mainstream. Despite electing a record 63 members to Parliament in the 1984 election, the party stalled at 20 per cent of the national popular vote—about the same percentage of elections that has supported the

party in most federal elections during the past three decades. And it failed again to place a single seat in Quebec. Indeed, with only 16 of its MPs representing ridings east of Montreal—all in Ontario—the NDP remains the overwhelmingly western force that it has been throughout its history (page 26).

Now that McLaughlin took forward to a long honeymoon as leader, the constitutional debate is expected to go on for at least early in the country's campaign the morning hours over whether the Meech Lake accord can be ratified by its June 1990 deadline. As well, the party is split on many other policy issues. For one thing, there is no consensus on how to solve the party's foreign policy—which highlights with a bang from NATO and NATO, the issue of the dramatic changes in Eastern Europe. The next must also come to grips with the economic consequences that would result from its call for softer environmental laws—including the displacement of numerous workers in polluting industries. And, again, there is no consensus on whether the party should be willing to address the issue of Canada's personal budget deficit.

In Winnipeg, party clerks took a break to the politics of personality. Barrett, the most charismatic of the candidates, was the last of them to arrive in Winnipeg. He spent his final campaign day in Montreal—a stop that allowed him to boast that he had campaigned in every province. But the gauntlet nearly bedeviled by delaying his departure for Winnipeg, Barrett finally avoided being held up by a southern Ontario blizzard that crippled air travel. And he landed in the midst of the prime topic of conversation on the first morning of the convention: the arrival at a double-digit charge of voters. Saskatchewan MP Lance Nyssen

(page 24) Barrett described the changes as a "major metamorphosis" of "major metamorphosis" to both Nyssen and the party.

Leaving: The following day, Barrett joined the six other candidates in a two-hour question-and-answer session described on the agenda as "leveled." Despite the name, the session drew little political ball. In fact, none of the candidates seemed eager to take chances as they failed, rarely worried, question about their stands on such issues as the economy, the Constitution, and women's rights. For the most part, they relied on time-tested party shibboleths, attacking the Ontario-Saskatchewan Trade Agreement, government favoritism towards business, and discrimination against minorities. In one rare instance of levity, candidate Lagasse argued for better protection of the environment on the grounds,

Barrett's second place for an old-style campaigner



be suspect, that "good ghosts are hard to find." But in the audience, some delegates toyed with infomats, and others dined.

But if the hot-air assumes revealed only superficial differences between the candidates, some backroom negotiations were already under way as the various camps sought support from nonofficial delegates. For all the candidates, organized labor, which belted about 25 per cent of the delegates, was an especially critical group.

Among the first acknowledged convention power brokers to make his performance the leader clear was the CUP's White. The 54-year-old economist had attracted McLaughlin's attention for an endorsement earlier in the campaign. At the same time, three top CUP executives were split among McCurdy, Longtin and McLaughlin, as were the union's roughly 100 delegates. But White leaned some posture from within his own 166,000-member union to declare his support. In the end, White leaned to his personal assistant and McLaughlin's floor organizer, Carol Phillips, making his decision over dinner at a downtown restaurant on Wednesday night.

But White's wavering was typical of much of the candidates' Indeed, when Gerard followed White, so did McLaughlin's camp within both, his endorsement was only lukewarm. The head of the 166,000-member Newfoundlanders union had quickly rejected McLaughlin's midway through his campaign, describing her as political lightweight. And in announcing his late endorsement to his camp, he told reporters, "My candidates are Stephen Lewis and Bob Rae. They are not running." Added Gerard of McLaughlin: "But she is the best of the rest."

Even so, Gerard acknowledged after McLaughlin's late speech that she could likely court an only half of his union's delegates.

Still, the divided support of labor in the end affected the outcome of the convention less than the question of the party's approach to Quebec and the Meach Lake accord. In the wake of the signing of the Meach Lake accord in June, 1987, the vote at first officially endorsed the agreement. And Broadbent, who voters surprisingly to court voters

in Quebec during his term in leader, had resisted along its most vocal supporters. But a growing number of party members have had second thoughts. For her part, McLaughlin—who campaigned against the accord in her way to winning her Yukon seat in a by-election—

avoided direct mention of the accord. Instead, it committed the party to work for unspecified "constitutional improvements." But even that softened compromise failed to win support from several key elements of the party. And at the end, the convention called on the party to



McLaughlin with real candidates: strength and depth in a well-funded campaign organization

July 28, 1987—was Broadbent's permission to break with the party's federal caucus and vote against ratification of the accord in Parliament.

Before last week's convention, the party's federal caucus had sought to reconcile those divisions over Meach with a resolution that

said: "Improvements and changes to the Meach Lake accord." Among them, new terms to address the concerns of aboriginal people, the North and women. Said British Columbia MLA Jean Sheehy: "We were trying to put together a motion that would support Quebec but, at the same time, back the accord."

More significantly, when the resolution came to a vote, Broadbent endorsed its wording.

**Dilemma:** Although the fast phrasing of the resolution may have assuaged some Quebec-bashing on the convention floor, the vote deeply disgraced Meach supporters and Quebec delegates alike. Leaders of the party's Quebec wing said that they had been betrayed. And they warned that the resolution would doom the party's hopes for a long sought breakthrough in Quebec when voters in the Mayoral election of Chénouy go to the polls in a federal by-election on Feb. 12. The vote became vacant last May when Tony Richard Gervais resigned after pleading guilty to charges of fraud. Philip Gosselin, the NDP's candidate in Chénouy, told the convention: "I am not saying this to be menacing. I am not saying this to outrage or blackmail. But that breaks through will not be made because of what you have decided today."

That dismay was echoed among other supporters of the Meach accord, notably such Quebec-based party figures as provincial leader Rae and former leader Stephen Lewis. Broadbent, Lewis, who doubled as both a voting delegate and a CBC-TV commentator at the convention: "Our party still has not learned that the Quebec question transcends other issues." And Lewis looked on at Broadbent's bid to be elected by his decision of the Meach accord: "Broadbent," Lewis declared, "could have chosen to leave over a question of honor and principle."

**Example:** The remark was not the only hint on the party's lower-ranking from its leader of the past 14 years. At a dinner on Thursday night in tribute to Broadbent's remarkable career, a order of presentation, party members lauded the man who established himself in the most popular national party leader of the 1980s. But the accolades were followed by Broadbent, who once thought he only—well, as it turned out, barely—that he had led his characteristically thrice-party until such a power when it toppled into a political crisis for a generation. There were no open references to previous criticism of Broadbent's politics; the moderator, that by the time of the 1985 federal election, had estranged the party from labor; and his decision to allow that campaign to go free made, leaving the issue to the Liberals. Instead, Kenneth Sir Nelson Kim told Broadbent that

"You led by example, and we followed you." And the Canadian Labour Congress's Carr presented the Ottawa air with a group—well, the keys to last year's Black.

Despite the muted criticism, Broadbent's farewell speech to delegates on Friday evening



Broadbent's compromise after steadfast support for Meach Lake

led delegates of how far he had come since he was first elected to Parliament in 1968. To prolonged and genuine applause, and at least his standing ovation. Broadbent finally made his prepared text, and he said his last words: "We are all part of one family," he stated. "It is the acceptance of individuality that makes for evolution. So too is our nation, diversity is what makes us flourish." By

late that afternoon, however, Broadbent was just another delegate, waiting his turn at microphone number 6.

**Women:** His successor's victory highlighted the rising political force of New Democratic women. Party officials estimated that at least

half of the delegates were women. "We tried to bring everyone into the process," said Broadbent's wife, Maude Lewis, a member of the well-styled "Sisters From Hell," an informal star women's network. "It is simply a question of being politically active versus the old-style, male-dominated leadership politics." Even so, McLaughlin's hand did not represent her from accusations that she was leading a feminist crusade. "There were a lot of strong feminists behind the campaign," said Patricia Gibson, a Vancouver McLaughlin-campaign worker. "But she was not out as a feminist."

Still, some McLaughlin opponents attacked what Ontario MP John Rodriguez, a Broadbent supporter, described as "the feminist." Said Calgary MP Barry Penick: "Some delegates tried to deny the existence of a strong feminist line, but there is a women's group that simply decided it was time for a women's leader." And with McLaughlin as leader, the role of women in the party is certain to be a larger factor. McLaughlin herself has insisted that women candidates be nominated at least half of the so-called winnable ridings during the next federal election.

But the face of the party is also aging. Only

## McLAUGHLIN SPEAKS OUT

By then, a multi-farmer in Ontario, a leader in Quebec and a vocal member and member of Parliament for the Yukon, Alex McLaughlin, 55, brings an unusual range of experience to her new role as federal leader of the New Democratic Party. Her views on some of the issues that she will face in conflict and the challenges that await her.

**FREE TRADE:** "The free trade deal must be cancelled and replaced with a national economic policy that will harness Canadian resources and direct Canadian trade in the interests of all of us—not just the multinational."

**THE ECONOMY:** "It is a myth that the Liberals and Tories are good economic

managers. Any party that brings the Mulroney brand deal, the Goods and Services Tax, high interest rates and doubles the national debt is not fit to run a household. Social democrats in Canada and Europe have run governments with fiscal discipline, low unemployment and respectable social programs."

**THE ENVIRONMENT:** "Finger about a Triple E Source—spend the \$30 million on cleaning up the environment. Cancel plans to buy new belt lands for Europe and spend the \$1 billion for the cleanup of the Great Lakes."

**THE GOODS AND SERVICES TAX:** "There is only one alternative to the GST as income tax system based on ability to pay, without exception."

**THE MEACH LAKE ACCORD:** "I accept Quebec's reasonable demands and do claim to be a 'distance society.' But I oppose the Meach Lake deal. The accord gives away provincial veto in the North's right to become full gov-

ernment. That is unfair. We are right that the First Peoples have been left out of the constitutional settlement."

**NATO:** "I support NATO policy to get out of NATO. The Cold War is over."

**VIA RAIL:** "I demand restoration of Via Rail and a commitment to public transportation."

**ABORTION:** "Women must be free to choose. The present attempt to restrict abortion—so often women's lives must be treated as part of our struggle for equality."

**STYLE:** "A good leader has to see the world through many eyes. That is no strength. I know what it is like to be poor and what it is like to be comfortable. These are the worlds I want to put together. There is nothing wrong about being a consultant, a bridge builder." □



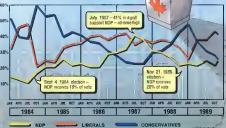
McCurdy's message from the membership is change the NDP

67 youth delegates were present in Winnipeg to help select the new leader. "We're all shortchanged," Halifax student Lou Asch angrily told the convention when the chairman tried to cut off debate on youth issues. Added Asch: "We are never going to build this party. God damn it, unless we spend more time listening to the young." As well, the son of white lions in the convention hall demonstrated that the NDP membership, in contrast to its electoral support for minorities, does not accurately reflect Canada's burgeoning multicultural consciousness. Seel McCarthy: "The party has to be more inclusive if it wants to reflect the diversity of this country. Right now, it does not."

**Quarrels** With little evidence of new dynamism in the party's thinking, many new activists admit that the party remains largely content to rest its appeal upon the policies it has long proposed. And despite the closeness of the final vote, the lack of palpable excitement in the leadership once before the convention underscored what many party members expressed as

## CHRONICALLY THIRD-PLACE

### The NDP's electoral lull



NDP — LIBERALS — CONSERVATIVES

guarded backroom whispers that McLaughlin would be regarded as some quarters of the party as an interim leader only. In fact, even before the convention was over, many party members were speaking about the prospects of another leadership contest in four years. Probably, some advisers to Rae were promoting the revival of the litigious

Ontario leader should McLaughlin falter.

Other party figures acknowledged that the NDP confronts unending challenges in the 1990s, both on the issues and within its own membership. "We are a party of professionals as well as workers," said B.C. 1988 Leader Michael Menzies. "We have not lost our traditional impulses, but we are spending more time trying to factor elements such as the quality of life into our economic elections rather than talking about tearing the economic system down." For her part, Nancy Radin, executive vice-president of the Canadian Labour Congress, observed: "During the [1988] election, the polls indicated we were not strong on the economy, so we pretended there wasn't one. We have an economic platform, but we still look scared about the issue." And Saskatchewan 1988 Leader Ray Brown added: "We must find a way to live in a competitive world, where trading barriers are coming down and where market forces are a reality. Clearly, there is no future for the party if it supports the idea that the market economy is dead."

That tone is a far cry from that heard in other quarters of the NDP, where some members clearly yearn for a return to the party's ideological roots and a reaffirmation of its stance as the social conscience of Canada. And there were those at last week's convention who saw in it evidence that the NDP has succumbed to the same style of hard-edged left-leaning politics that characterized Liberal and Tory conventions. For Andrew McLaughlin, the challenge will be to avoid becoming captive to either extreme as the leader's deeply troubled party enters a new era.

BRUCE WALLACE and K. RAY FELDON  
with JOHN MORSE in Winnipeg

## AN NDP STAR IS CHARGED

It was hardly the act on which most New Democrats had expected Lester Nyström to arrive in Winnipeg. Telegenic and fluently bilingual, the 42-year-old Mr. Nyström was among the party's stars since he first won his Saskatchewan riding of Yorkton-Melville at the age of 22 in 1988—made of the most astute people even elected to the House of Commons.



Nyström: 'I'm innocent'

Indeed, when the race to succeed Edward Broadbent began, many advisers expected Nyström, the new deputy House leader, to run. He declined, instead accepting a role as co-chair

man of last week's convention. Then, last week, just hours before Nyström was to fly to Montreal, a security guard stopped him outside a shopping Plaza Mart five blocks from Parliament Hill and asked the lucky Mr. Nyström to accompany him to a police

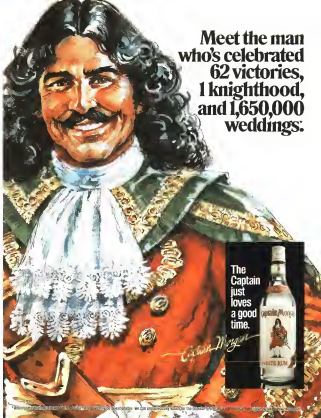
station. There, Nyström was charged with shoplifting a \$7.70 canister of deodorant from a display.

Released after being given notice to appear in court on Dec. 13, Nyström went on to Winnipeg. The following day, he told a packed crowd of delegates that he had resigned to confront the charges. But, he declared, he was "100 per cent innocent."

Most party members were clearly ready to accept that. "I can only believe that those guys have been a mistake," said leadership candidate Steven Langdon, for one. And despite Nyström's resignation, he accepted an invitation to chair the convention's Friday morning session.

Still, the charge played upon Nyström's public image, which was "I would never have been charged." But in Ottawa, police head Insp. Gordon Lewis said, "We're handling this like any other shoplifting case."

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Lewis, Broadbent and Douglas (right) a radical party with and Franco roots

## CHANGING TIMES

### THE NDP GRAPPLES WITH REFORM



The newspapers of the day depicted it as nothing less than the Russian Revolution packaged for export. For six weeks in the spring of 1918 more than 30 unions and 30,000 workers joined in a general strike that paralyzed Winnipeg. On June 11, a demonstration turned into a bloody riot that left one dead and 30 others injured after Royal North-West Mounted Police charged into the crowd on horseback. The strike collapsed four days later—but it was an early indication of the Western rebellion that, 33 years later, resulted in the birth of the Co-operative Commonwealth Federation (CCF), forerunner of the NDP. Indeed, one of the strike's organizers, former Methodist minister J. S. Woodsworth, became the first leader of the CCF at the party's founding convention at Regina. And the CCF's statement of principles, the Regina Manifesto of 1918, stated with a fervent declaration that a CCF government could not rest "until it has eradicated capitalism." Four weeks that laid of

consideration, were fused into debt with radical Canadian heretics and western capitalists.

**But not** to many future radicals, the Depression represented the ultimate failure of capitalism—and a grueling vision to dislodge Canada's eastern economic establishment. As a result, Woodsworth, who had won a Winnipeg seat in Parliament in 1921 as an independent labor candidate, joined such M.J. Gahagan, an English-born school teacher from Regina, to help forge the coalition of farmers, small trade union and intellectuals that became the CCF. Among the earliest recruits was a young Bayview minister and former Ontario lightweights being championed from Manitoba named Thomas Chalmers Douglas, who would become famous for his ability to sweeten the socialist message with a very old Douglas's description of Depression-era life: "It's every man for himself, as the elephant said when he danced among the chickens."

The Regina Manifesto set out a dramatic program for healing the Depression, including socialized health services, the nationalization of financial institutions, public utilities, and job-creation programs to put Canadians back to work. That platform struck a chord in the West as the 1930s federal election, the party elected seven MPs, including Woodsworth, Colwell and Douglas. And Douglas's popularity actually mirrored with the return of national property during the Second World War. It was a prosperity fueled by government programs mainly designed to help the war effort, but which were increasingly visible to the CCF's call for public health job creation. Desmond Morton, the University of Toronto political scientist who has written extensively about the CCF, says that "what the CCF advocated in the 1930s and everyone discussed as hopelessly irreparable turned out to be legitimate during the war." As a result, in the 1940 federal election, voters awarded 28 of the 345 Commons seats to CCFers.

**Power:** But the party had already scored a big breakthrough in the 1944 provincial election in Saskatchewan, a province granted to the Liberals for all but five years since it entered Confederation in 1905. Under the leadership of Douglas, the pro-CCF NDP won a strong campaign—winning as the 1944 election that had dogged the party over its inception (reached a fever pitch). The electorate responded by giving the CCF 47 seats to the Liberals' five. Douglas governed the province for the next 17 years, pioneering medicine, state-run education and programs to provide electricity and urban infrastructure for rural residents. Naturally, however, the CCF began to de-

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down after its electoral gain of 1945. To head off the threat from the left, Liberal Prime Minister Mackenzie King adopted several of the CCF's social-welfare proposals, including family allowances and unemployment insurance. They marked the start of a long Liberal tradition of co-opting the more popular reforms proposed by the CCF and later, the NDP. The federal Conservatives, meanwhile, added the word "progressive" to their party name and elected their own Saskatchewan populist, John Diefenbaker, as leader. And in 1956, Diefenbaker swept 308 of 385 Conservative seats. The CCF was reduced to only eight seats.

**Labour** In the wake of that defeat, the CCF embarked on a period of suspended soul-searching, deciding to temper its western greenback socialism and reach out to anglophone labor in Central Canada. In 1961, socialists to meet the CCF and created the New Democratic Party—with the support of the Canadian Labour Congress. Douglas stepped down as premier of Saskatchewan to lead the new party, which modeled itself on the more orthodox social democratic parties of Western Europe. The party didn't meet socialist hopes on economic issues, eliminating the old Rickman wheat marketing monopoly in favor of a mixture of private and public ownership.

That path had long been advocated by Toronto labor lawyer David Lewis, who had served as the CCF's national secretary since 1957 and went on to become Douglas's leader of the party in 1973. But, as a result of the change in direction, the NDP's electoral gains outside the West have been modest. Although the party has enjoyed some success in Ontario, it has been unable to make a breakthrough in Quebec or to bring any major change in the federal government's economic policies.

Meanwhile, the NDP has clearly remained a force in the West. In Saskatchewan, where the party first came to power in 1984, it won re-election under Allan Rock in 1993 before falling to Grant Devine's Tories in 1995 in a crushing defeat. And in the Manitoba provincial election of 1990, Edward Schreyer formed the first-ever NDP government which provided him with power until his loss to the Conservatives in 1997, but the NDP rebounded under Howard Pawley, who was premier from 1985 and losing to the Tories in 1995.

**Left** Despite those successes, critics on the left view the party of doubling its socialist proposals in the West in order to lay victory Schreyer, for one, criticized on being called a "social democracy" rather than a socialist in fact, perhaps the only party leader of recent years who has approached the farthest right of the old CCF was David Bissett, who lost the seat to power for the first time in British Columbia in 1973. His government's reformist program, capped by the decision to buy shares in an existing pipeline company in order to create a provincial oil-and-gas company, prompted the New York City-based financial magazine, *Barron's*, to nickname Bissett the "Albino of the North"—a reference to Salvador Allende, Chile's Marxist president from



Bergman: meeting business with ideas and policies for the creation of wealth

1970 until he died in a 1973 coup. Bissett's removal from office was less violent than Allende's. After only three years in office, he was lost to the Social Credit party in a 1975 election.

Now, the moderate tones of the current western NDP leaders stand in stark contrast to the fiery rhetoric of their political forebears in both Saskatchewan and British Columbia.

#### Hartnett: new strategies for victory



where elections are due by the fall of 1999, the opposition NDP is looking for growing pains by more than 50 percentage points in the latest polls. But provincial leaders Hartnett and Hartnett have both stressed the need for co-operation between business and government.

Over the past year, Hartnett has held a series of meetings with Saskatchewan business leaders to discuss their concerns and expectations of the NDP returned to government. And Hartnett: "We have long been seen as a party that addresses the responsibilities of wealth. It's time that we clearly articulated vision and policies for the creation of wealth." Added British Columbia's Hartnett: "We believe in a good economy. We are addressing issues that are important at the 1998—rather than the 1990s or 2000s."

**Route** But statements like that still anger some NDP activists and supporters who claim that the NDP has drifted too far from its origins. NDP longtime vice supporter Roy Adams, a part-time president of the National Farmers Union who lives near Lumsby, Sask., 120 km west of Saskatoon, says: "The party needs to remember its roots and follow an approach based on its principles." But other observers, including political scientist Morton, say that it is precisely because the party is still seen as so reformist by many Canadians that it has failed to break out of its traditional third-place ghetto in federal elections. Recasting those values into a consensus that will take the party into the 1990s is perhaps the greatest challenge facing the new leader of the New Democrats.

BRIAN BERGMAN with IAN QUINN in  
Saskatoon and DALE BISSLER in Regina

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CANADA

# VOICES ON THE LEFT

## NEW DEMOCRATS LOOK TO THE FUTURE

*As the 3,000 delegates to the New Democratic Party's leadership convention gathered in Winnipeg, they focused the message on choosing a new leader. But many party members also discussed how the party should adapt to the challenges of the 1990s. In the convention floor, Malcom's Calgary Bureau Chief John Hume asked some of them for their vision of their party's future.*

### GENISIO PROCOPO

28, *convention at a group house for the socially handicapped in North Bay, Ont., and a five-year member of the party*

"The party must represent the masses, work on jobs. Two-thirds, they are ignored. We must make it national policy to make life better for them and give these people back their dignity. The party has not gone far enough with its concerns for these people. It must get back to its grassroots—more of the [existing] reality; not experienced being poor."

### JOHN GENISIO

35, *an auto factoryman and member of the Canadian Auto Workers Union, Windsor, Ont., joined the NDP 10 years ago*

"The Tories are the same as the Liberals, so we do not want to be Canada's third Liberal party. We must be for full employment, the distribution of poverty, the keeping up of social programs—and we must work to have the free trade pact rescinded within six months."

### MARY O'DONOGHUE

31, *a library assistant in Windsor, Ont., and a 10-year NDP member*

"The real issues are economic. We should be proud again of taking a social democratic view of the economy jobs, housing, the poverty of thousands of children should be what concerns us, not winning tax money for them to strip

parts. Of course, the environment is important—but the fundamental issue is how we manage the economy, how we get those corporations that don't pay their taxes to pay up just as other taxpayers do. And free trade is such a deal. We have to fight it all the way."

### JOANNE FOI

48, *a legal-aid worker from Victoria and an NDP member for four years*

"The leader's first job will be to heal the national wounds of this convention—then to get the top case forward. Our policies need to get greater emphasis on education and ensure that the social safety net stays with universality. The party, too, must focus policies on women, labor and natives. And free trade must be fought. We have barely seen the tip of the iceberg. There is de-politicization under way—the beginning of absorption by the U.S. political machinery."

### JAMES MALOWY

37, *an NDP member for 17 years, represents the Winnipeg riding of Diamond Head in Manitoba in legislature*

"The party should head to left of centre rather than grabbing the Liberal middle ground. It has to be bold, not taking a strong opposing position until federal election. We should tear up the agreement. I would like to see the party become more radical on economic policy—but I sense the membership is not there."

### DALE PELLETIER

35, *a Sigma male science supervisor and a 20-year party member*

"I am disappointed that none of the candidates came up with specific policies for aboriginal people. We need to make these people wel-

come in the party. Aboriginals form large percentages of Prairie populations—we should be working them across the country. As well, the main policy theme for the future should be that people come before profits. We must understand that by opposing the free trade pact and the proposed Goods and Services Tax. These basic policies are more important than even who the leader is."

### ALEX MURTER

21, *a former social-science student who plans to read at the University of Ottawa in January, has been a party member for six years*

"There is too heavy a reliance on good old-fashioned checks and not enough concern about how you turn these checks into hard policies. There is lots of nostalgia for what the reformers achieved, but the party has failed to introduce mechanisms that guarantee strong participation by youth. Look around—the average delegate age must be about 40. As well, the party absolutely laughed out trade, but we should still reject it strongly. The mission thing should turn trade so that it eats away at what is important in the long run: an independent Canada."

### JANEE KELL

43, *a 15-year veteran of the party and an NDP member in New West member B.C.*

"The party needs to do a better job of building toward electoral victory while ensuring that its new members and youth know the party's history. But there is a danger that the party will move too far to the middle. We should be left of centre and get back to being a movement again, of keeping people involved in political debate. Also we have to find a way for youth to participate, not just in the party, but also in society. Low wages keep young people out of politics. That is a key economic issue—in free young people from economic issues so they can take an interest in politics."

PHOTOGRAPH BY GUY LAWRENCE



# A RUSTING IRON CURTAIN

## SUPERPOWER LEADERS CONFRONT A NEW ERA

Two leaders could hardly have been more different—the pudgy Mikhail Gorbachev, stoking an empy glass over the need to deconstruct a failing system, the gaunt George Bush, coming with serene confidence into the uncharted waters of the post-Cold War era. But on the one of their earliest public meetings of the east of Malta, they were talking the same language. Said President Bush: "America understands the urgent role of Mr. Gorbachev's challenge. And let there be no misunderstanding, we support perestroika." Declared President Gorbachev: "The Soviet constitution, like other nations, has created the free, liberal society which there is no return to the past. And to correct an entirely new vision of East-West relations, the Soviet leader had a historic personal meeting with Pope John Paul II at the Vatican. In such a historic setting, that encounter symbolized what Bush had called "a new millennium of freedom."

**Value:** Never before had the Kremlin and the Vatican, two of the world's most powerful religious centers, exchanged such a courtesy: that in the atmosphere of reconciliation set off by Gorbachev's reforms, the officially atheis-

tic Soviet leader had been in Washington. And he still did not understand the enormous implications of the Soviet leader's collapse. At the same time, among nations in both Eastern and Western Europe, there were growing worries that Ger-

many would not moderate its intent to cut its forces in Europe beyond the 30,000-man reduction announced by Bush last May. But Gorbachev said it was the Prague talks that would make substantial further cuts in 1991, as part of a plan to trim the defense



Barbar at Faltetta, Malta: concerns about U.S. troop withdrawals and German reunification

ous reunification was becoming inevitable. And as many world capitals, analysts continued to expect nations for Gorbachev's political survival as a Soviet Union torn by rampant nationalism and rocked by economic failure.

In Brussels, NATO defense ministers met to try to work out the future shape of their alliance in light of the fundamental changes in Poland, Hungary, Czechoslovakia and East Germany as well as the Soviet Union's clear and urgent need to end its substantial military spending. After two days of deliberation, the ministers decided to maintain NATO's current military stance because, according to a joint communiqué, "a strong and unified alliance would contribute to stability at a time of rapid and unpredictable change. But there were obvious cracks in NATO's unity. U.S. Defense Secretary Richard Cheney assured the allies

before by a total of approximately \$100 billion by 1995 (page 40).

**Barbar:** That clearly worried some members of the alliance, notably the British. They expressed doubts, but, planning further cuts, the Americans might understand the East. But conventional arms reduction talks were under way in Vienna. Some European officials also said that Washington's sudden shift towards more rapid disarmament could disrupt NATO's defense and add to other one-way military burdens, forcing them to increase their defense budgets. That would occur at a time when European public opinion, convinced that the Cold War had ended, would be clamoring for sharp cuts in military spending.

Meanwhile, in Bonn, West German Chancellor Helmut Kohl unveiled a 30-page program designed to bring East and West Germany into

a confederation that could lead to reunification. Kohl set no timetable and he was vague about the structure of a united Germany. He pledged, however, that it would be "in line with the future of European architecture," a reference to the closer union of the European Community in 1993. But his call—the strongest he has yet made on the subject—caused alarm bells to ring in both East and West.

**Union:** U.S. Secretary of State James Baker and East German leader Helmut Kohl did not get on at first. But after the first meeting, Baker said that Kohl was taking a "very constructive approach" to the Malta summit and the opportunities it presented. He even echoed Bush's own favorite word to describe his policy: prudent.

**Desired Malware:** The summit's aim has a responsibility to act with prudence. And as the leader of the Western alliance, it is important that he act with haste, but that he act effectively. As for Gorbachev, and Malware, he "looks upon the Malta summit as to achieve something, but as a step towards building a solid relationship with President Bush." For Gorbachev, the summit took place at a

time when problems were growing within the Soviet Union. Since the Soviet republics of Armenia and Azerbaijan appeared likely to erupt again at any moment. That prospect followed the Soviet republics of Georgia and Abkhazia within the southern republic of South Ossetia. And in the west, the rebellious Baltic peoples of Latvia, Lithuania and Estonia continued their agitation for independence.

At the same time, there were increasing signs of a conservative backlash against Gorbachev's reforms. One indication was an article that appeared last week in Pravda, the Communist party daily, in which Boris Yeltsin, the Leningrad party leader, denounced what he termed "unlimited democracy." Gorbachev also criticized Gorbachev by saying continued party control of the economy. "The flag was not well raised only," wrote

Gorbachev. "Comments are definitely against decentralization of the economy and the legislation of private property."

**Money:** But most troubling of all was the general disillusion brought about by the near-collapse of the Soviet economy and the unemployment caused by Gorbachev's restructuring of industry. A report by the German-based International Labor Organization last week said that some 140,000 workers had lost their jobs through restructuring, and that about 285,000 civil servants were dismissed or reassigned last year. Annual inflation was officially running at 11 to 12 percent, although some economists said that the real figure was much higher. As well, by official count, up to 1,500 basic consumer items, including winter coats, were either unavailable or in short supply. One such of the country, such commodities as meat, fish, sugar and soap were strictly rationed.

As the years for such reversals lengthened, it was obvious that the Soviet Union faced a crisis worse of discontent. With Gorbachev's reform program to be held in August, the Soviet leader's first 100 days, the Soviet leader was clearly in need of whatever promise he could bring back with him from the costly Malta mission. For Bush and the Western alliance, there was every reason to encourage Gorbachev to sustain the pace of reforms—and to do whatever possible to help him remain in power.

people have been killed—two of them only last Wednesday—as ethnic violence between Christian Armenians and Muslim Azerbaijanis. Last week ethnic violence continued in other areas as well, including the autonomous region of South Ossetia within the southern republic of Georgia. And in the west, the rebellious Baltic peoples of Latvia, Lithuania and Estonia continued their agitation for independence.

At the same time, there were increasing signs of a conservative backlash against Gorbachev's reforms. One indication was an article that appeared last week in Pravda, the Communist party daily, in which Boris Yeltsin, the Leningrad party leader, denounced what he termed "unlimited democracy." Gorbachev also criticized Gorbachev by saying continued party control of the economy. "The flag was not well raised only," wrote

Gorbachev. "Comments are definitely against decentralization of the economy and the legislation of private property."

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Bush and Malware: "a responsibility to act with prudence"

time when problems were growing within the Soviet Union. Since the Soviet republics of Armenia and Azerbaijan appeared likely to erupt again at any moment. That prospect followed the Soviet republics of Georgia and Abkhazia within the southern republic of South Ossetia. And in the west, the rebellious Baltic peoples of Latvia, Lithuania and Estonia continued their agitation for independence.

**JOHN BERNARDINI with JULYAN MACGREGOR in Washington, PETER LEWIS in Brussels and ANTHONY WILSON-SMITH in Moscow**



Strikers in Prague calling for an end to Communist rule: 'The last bell is ringing, the fairy tale is over!'

## RINGING IN A NEW ERA

CZECHOSLOVAKIA'S COMMUNISTS YIELD THEIR MONOPOLY

For nine years, between 1957 and 1962, a 100-foot-high statue of Josef Stalin loomed over Prague. Erected on the Lenin Hill on the left bank of the Vltava River, which runs through the Czechoslovakian capital, the monument proclaimed the country's fidelity to both communism and the Soviet Union. Last week, Prague residents placed another symbol on the spot where the statue once stood: a six-foot high bell that they said would ring out the old era in Czechoslovakia and herald a new time of freedom. And the bell had much to welcome. With astonishing speed, the country's shaky Communist leadership granted virtually all the demands of Czechoslovakia's burgeoning opposition movement—and set the country on the road to free elections that could take place as soon as next summer. After two days of watching the government acquiesce, Jan Dancosky, a leader in the opposition Civic Forum center-left group, declared, "The revolution is proceeding much quicker than we expected."

In the wake of mass demonstrations and a general strike that underlined the depth of popular opposition to their rule, the country's government and Communist party granted seven issues that amounted virtually to signing their own political death warrants. In the early

hours of Nov. 27, the party's ruling President fired at least three members directly associated with the Warsaw Pact invasion of Czechoslovakia in 1968. On Tuesday, Prime Minister Ladislav Adamec agreed to form a new government and exclude from Communist ministers. At midweek, the country's government unanimously voted to amend Czechoslovakia's constitution to delete references to the "leading role" of the Communist party, restoring the legal guarantee of the party's monopoly on political power. The government also lifted censorship of films and books. Then, officials announced that they would dismantle the locked-workshops along the border with Austria and no longer require citizens who wish to leave the country to obtain exit visas.

**Teller:** At the end of the week, the Communist party broke still another taboo. For 21 years, it had steadfastly defended the 1960 revision—which crushed Czechoslovakia's bold attempt at reform led by then-Communist party chief Alexander Dubcek—as a necessary step to ensure the survival of socialism. But finally, the party daily, *Rude pravo*, reported that members of the party's main think tank, the Institute of Marxism-Leninism, had condemned the Prague Pact intervention as unprovoked. As well, the party President announced that it would set

up a commission to investigate the invasion and the repression that followed it.

**Face:** The pace of events left even leaders of the opposition movement bewildered. Many had spent two decades struggling to bury dissident groups and among politicians and experts that seemed to find little response using autonomy Czechoslovakia. Barred from all but menial jobs, the dissidents were harassed by the authorities, sometimes beaten and frequently arrested. Václav Havel, the rangy 43-year-old playwright who has emerged as the main leader of Civic Forum, was jailed for four months earlier this year for taking part in an unauthorized protest. And as security in mid-October, when he was bedridden with a lung ailment, police jailed him to prevent him from participating in demonstrations that had been scheduled for Oct. 28, the country's independence day.

The last week, Havel-faced himself leading an opposition delegation that, in a two-hour meeting with Prime Minister Adamec, virtually dictated terms for reform to the government. "For 20 years, we have had inequality and unfairness in this country," Havel noted last week with what sounded like awe in his voice. "And now we have such leaders again!" The assessment of opposition leaders at

Smooth  
Smooth

Ruff  
Ruff



MEAGHERS RYE. WARM UP TO AN OLD FRIEND.

## 'THE REVOLUTION IS PROCEEDING MUCH QUICKER THAN WE EXPECTED'

there was sudden success was matched by the discovery as the Communist party. For years, it had maintained a facade of monolithic unity that masked little discussion and no dissent. Then suddenly, after a week of protests that brought as many as 500,000 people into the streets of Prague to denounce police brutality against student demonstrators on Nov. 17, the party appeared to lose its nerve. Two weeks later, the ruling Presidium passed itself. By the beginning of last week, some of the men who had been directly implicated as supporting Soviet and other Warsaw Pact troops into Czechoslovakia in 1968 resumed in the leadership. And the party's new leaders launched a belated campaign to win back public approval by new general secretary, Karel Urbánek, defended his position in a debate with skeptical steelworkers, on television, in the city of Kladno, 35 km west of Prague. "We must talk to the people," Urbánek concluded. "We cannot hide from the people."

**Rule:** At the same time, members of the country's Federal Assembly or parliament, usually elected political leaders when their debates were shown for the first time on television. The delegates unanimously voted to resign from Czechoslovakia's constitution references to the party's "leading role" and to Marián Leimert as the state ideology. Anton Blazek, a Communist delegate from Bratislava, declared, "We have manifested the leading role of the party and its position. We must regain this trust."

**Eric Milos Jelinek**, who was forced to resign five days earlier from his position as party general secretary, voted to end the Communists' political monopoly. "Life has shown that it is not important what is written," Jelinek declared. "We must try to win the confidence of the people." Jank, against all the evidence of the past several years, Jelinek even claimed that, at a meeting scheduled for mid-December, the party's Central Committee had been prepared to introduce reforms similar to those demanded by Civic Forum. "We were going to create space for democracy," Jelinek maintained. "But events moved quicker than we planned."

**But**, after showing their power for much of

the past 40 years, the Communists face a difficult, perhaps impossible, task. Their unrequited populism, showed repeatedly last week that it retained a deep mistrust of the party. Some 500,000 people twice filled a sports hall they Prague's Letná Hill to hear opposition leaders attack the party. Despite the freezing weather, the crowd was palpably



Striking workers: the over-enthusiastic population showed its deep mistrust of the Communists

upbeat. "For 40 years, everything was grey and heavy," said Josef Novak, a 40-year-old worker from Prague. "I had to try to be up every day. Now I don't have to try—it's all the air." **Strike:** Last week, millions of people throughout the country staged a two-hour general strike to support Civic Forum's demands for change. At noon, church bells pealed and car horns blared to signal the start of the strike. Several hundred thousand people poured into Prague's Wenceslas Square, focus of the demonstrations. Many sang small bells or peeped horns as a symbolic message to the Communists that their day was over. Some chanted the traditionalist line of Czechoslovakia before anyone for children. "The last bell is ringing—the busy life is over."

**Caught up** in the euphoria, leaders of Czechoslovakia's Roman Catholic Church announced hopes last week that political changes could lead to a religious revival after four

decades of harsh oppression under the Communists. Said Bishop Antonín Lieke of Prague: "We shall seek new laws on relations between the state and the church that will abolish the restrictions that have made life difficult for us in the past, including state suppression of the church."

Many leaders of the Civic Forum opposition group frankly admitted last week that they, like the authorities, were caught off guard by the sudden upsurge in popular feeling. Václav Havel, a 45-year-old Catholic priest who lost his government license to preach because of his dissent activities, striding back to the end-1970s, was in the countryside as the weekend

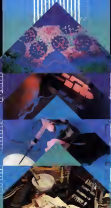
when the first protests were organized. When he returned to Prague on Nov. 19, he said, he was discouraged because people in the country were unresponsive to his arguments for change. "It was funny," Havel mused as he arrived last week at the modest little of his tiny two-room apartment on the northern outskirts of Prague. "I came on Sunday afternoon to Prague and suddenly I saw this demonstration. Then I met Václav Havel, and he took me to a meeting to found this group [Civic Forum]." Added Havel: "I have it would happen one day, but I didn't know when or how. So I was really surprised."

**Power:** The astonishing change in Havel's circumstances underlined how profoundly power had shifted in Czechoslovakia last week. Frequently arrested and banned by the police for his activities with the Charter 77 dissidents, Havel was said barely two weeks ago a group. Havel was said barely two weeks ago a group.

Continued on page 17

## Challenging the Frontiers of Research

### The First 75 Years



**75**  
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1914-1989

A special advertising and information supplement to the December 11, 1989 issue of *Maclean's Magazine* commemorating the diamond jubilee of the Association of Canada's brand-name pharmaceutical industry. Prepared in conjunction with the Pharmaceutical Manufacturers Association of Canada.

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## 75 Years of Achievement in Health

Currently, 130 companies devote more than 50 per cent of their production to pharmaceuticals in Canada and 71 of them are PMAC members.

**C**elebrating its 75th anniversary this year, the Pharmaceutical Manufacturers Association of Canada (PMAC), founded in 1914, is Canada's oldest trade association. But many of its members have been in Canada for more than 100 years. In the latter half of the 19th century, the practice of pharmacy consisted of making salves, ointments, rolling powders, grinding contents in mortars and pestles and rolling pills. These were derived from plants or made from fine bulk chemicals.

Dr. E.B. Shuttleworth, an Ontario physician, founded the first pharmaceutical manufacturing plant in Canada in 1879. Elixirs, cough syrups and hypodermic tablets became popular forms of medication. In 1883, Wyeth began manufacturing compressed tablets in Canada. Parke-Davis and Company opened its doors in 1887 in Walkerville, Ontario. In 1899, the first all-Canadian company, Charles E. Frosst was established, employing such names as Ayerst, McKenna and Bismarck who later opened their own businesses.

At the turn of the century, the industry evolved from being merely manufacturers, to discoverers and developers of new medicines. In 1921, Beecham and Best discovered insulin in Toronto, which was commercially developed by Eli Lilly and Co. Penicillin was discovered by Sir Alexander Fleming in 1928, but not commercially developed until 1940 by Ajoint, McClelland and Harrison, who set up one of the earliest known production plants for penicillin, supplying the first Canadian-made penicillin to the Allied forces in World War II. Followed by Connaught Labs

in Toronto and Merck and Company in Montreal, the three firms provided Canadians with penicillin long before it was available from other sources.

The late 1930s brought the "pharmaceutical revolution" — the replacement of old medicinal formulas by the research and

By 1938, most of the major pharmaceutical houses had replaced their distribution depots with full manufacturing facilities in Canada. A further wave followed World War II when companies based in Switzerland, Germany and the U.K. began to open facilities in Canada, close to the



development of specific chemical entities for medicinal therapy. The era of biologists was here. Scientific research and development of new, improved and cost-effective medicines was emerging as a firm of competition within the industry, providing the nation with high quality medical products at low cost. The industry began to occupy an important role in the health care system, raising the health standards of the country and prolonging life. The sulphonamides, other antibiotics like streptomycin, antihistamines, steroids and analgesics were to follow.

population centres of Toronto and Montreal. Currently, 130 companies devote more than 50 per cent of their production to pharmaceuticals in Canada and 71 of them are PMAC members. The industry developed new vaccines, conjugated meningococci, psychoactive agents to treat mental illness, a variety of new antibiotics, anti-arthritis drugs, cardiovascular drugs and for the first time, a cure for ulcers that avoids surgery.



Small by world standards, Canada's research-based pharmaceutical industry has played a significant part in the advance of medical knowledge and treatment.

And today, the industry is poised on the brink of another therapeutic revolution as the first products of Canadian biotechnology begin to emerge: immuno-suppressants that prevent up to 80 per cent of organ transplant rejection; "magic bullets", switched on by laser beams to selectively destroy cancer cells; drugs that prevent second heart attacks and dissolve blood clots to preserve heart tissue; the promise of new treatments for AIDS, herpes and other viral infections.

Small by world standards, Canada's research-based pharmaceutical industry has played a significant part in the advance of medical knowledge and treatment.

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Some 15 Canadian discoveries are on the world market today. As the industry proceeds to double its percentage of sales devoted to pharmaceutical research in Canada by 1990, the future should see an even greater contribution to the armamentarium of medical tools available to the world.

It has truly been 15 years of achievement in health.

#### Pharmaceutical Milestones

**1899**

Arphenazine, the first chemotherapeutic agent for the treatment of syphilis, discovered by Paul Ehrlich

**1921**

Insulin for the treatment of diabetes, isolated by Banting, Best, MacLeod and Collip

**1928**

Penicillin discovered by Alexander Fleming, but not developed as an antibiotic until 1942

**1925**

The first sulpha drug, the beginning of an effective treatment of bacterial infection was discovered by Gerhard Domagk

**1944**

Sterptomycin, the first anti-tubercular drug was discovered by Selman Waksman

**1946**

Mitogen Mustard, the first cancer chemotherapeutic agent, developed by Silman and Goodman

**1953**

Progestogen-Oestrogen, the first oral contraceptive developed by Pincus and Rock

**1955**

Introduction of Spik vaccine for poliomyelitis. The Salk vaccine followed six years later

**1961**

Propylthiouracil, the first beta blocker introduced for the treatment of hypertension, arrhythmias and angina

**1972**

Cytosarabine, an immunosuppressant to prevent the rejection of organ and tissue transplants developed by Jean Borel

**1976**

Human insulin produced by recombinant DNA technology used in the treatment of diabetes

**1987**

First therapeutic biotechnology product used to prevent kidney transplant rejection, approved for use in Canada

**?**

Further progress in pharmaceutical therapies for CANCER • HEART DISEASE • AIDS • DIABETES • ASTHMA

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to the child  
the best it has  
to give."*

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## The Health Care Challenges of an Aging Society

With the increasing numbers of older people in our society, clearly the challenge to Canada's pharmaceutical industry is to expand its search for new medicines for older Canadians.

**A**s a group, people 65 years of age or more now represent close to 12 per cent of our population in Canada.

As one would expect, we come to depend more on our health care system as we age, to treat the diseases associated with advancing years.

Seniors consume a disproportionate 40 percent of the stretched resources of our health care system. By the late 1990s, their numbers will double, as the "baby boomer" generation ages.

Most of what we read today in the press about this situation warns of health care costs spiraling out of control and straining our limited resources that will be supported by a diminishing number of taxpayers in the work force. But if we trust the growth of health costs as a proportion of our ability to fund them, measured by the Gross National Product (GNP) of the nation, we find we don't have a crisis on our hands. But we have a challenge. A challenge to ensure that our resources are allocated in the most cost-efficient manner to produce the best results. Because health care has become the largest item in our provincial budgets, exceeding 20 per cent and out-pacing inflation.

So far, in Canada, we have done a pretty good job in comparison with other countries. We have managed to provide universal access to a high quality standard of health care services for all Canadians. And we've done it for a smaller proportion of our GNP and at less cost per capita than most countries. The challenge now is to ensure that the standard of care we have come to expect and our access to the health care system are not eroded, particularly for the elderly who depend on it most.

The rapid increase in the proportion of older persons in our population is partly due to the prescription medicines developed in the past that reduced infant mortality rates and extended our life span to an average of 77 years today. But prescribed medicines, while perceived

people maintain their mobility, their independence and freedom from discomfort.

With the increasing numbers of older people in our society, clearly the challenge to Canada's pharmaceutical industry is to expand its search for new medicines for older Canadians. New



as expensive, have remained the simplest and most cost-effective component of our health care system. Compared to hospital and institutional costs at 80 per cent and fees for professional health care services at 20 per cent, the manufacturer's selling price for prescribed medicines, is less than three per cent. The research and development leading to these new and improved medicines represent a valuable investment in avoiding or reducing hospital stays, surgical procedures and other more costly expenses to the health care system.

But just as important as the economies is the improved quality of life that new medicines offer older Canadians. Used with care and professional advice, they help older

medicines which hold the promise of longer, better quality lives, shorter hospital stays, fewer operations, and continued independence, while helping to contain the costs to society of the medical problems associated with aging.

And recent surveys of PMAC members indicate they have taken up the challenge. The focus of their research efforts is shifting. It is estimated that about half of the industry's expected research investments of more than \$800 million in 1989 will be devoted to treatments and cures for the diseases of aging. Canada's industry is expanding its



# The Cost-Effectiveness of Medicines in Containing Health Care Costs

Prescribed medicines have been described as the smallest and most cost-effective component of health care costs.

**L**atest available figures from Health and Welfare Canada for 1987 showed that the total cost of the Canadian health care system exceeded \$46 billion. It is now estimated to exceed \$50 billion. The expenditures over \$1,800 per person, per year. About 76 per cent is funded by governments and 24 per cent through private sector insurance. This proportion of the country's GNP devoted to health care has risen from slightly more than seven per cent in 1975 to about nine per cent today.

The cost of hospitals and institutions account for more than 52 per cent of our health care expenditures, while the professional medical and dental services account for 23 per cent.

## Medicines contain costs

By comparison, in 1987, \$2.6 billion was spent on prescribed medicines, or about \$100 per person per year. This represents less than half of one per cent of our GNP. Prescription medicines account for 3.7 per cent of total health care costs (2.8 per cent attributable to manufacturers' selling prices for their medicines). The balance is pharmacy dispensing fees and mark-ups. The proportion of total health care expenditures devoted to prescribed medicines has increased only 0.9 per cent since 1975.

Prescribed medicines have been described as the smallest and most cost-effective component of health care costs. Cost-effective because they help contain the costs of other, more expensive components by reducing or avoiding a stay in the hospital or avoiding costly surgical procedures. Socio-economic studies estimate that every dollar invested in medicines saves five elsewhere in the health care system. Here are some examples:



- In 1984, the cost of one renal health bed was \$105 per day. New productive agents have cleared 36,000 such beds for other uses and saved Canadians 1.8 billion health care dollars.
- In 1987, a kidney transplant (made possible by new immunosuppressant medicines) cost \$25,000. It sounds expensive but the costs of a patient remaining on dialysis exceed the initial and maintenance costs of kidney transplantation after three years.
- Heart, liver and lung transplants are even more expensive at \$75,000 each. But hospital costs alone, for the 12 to 16 weeks of life expectancy of a heart patient without a transplant exceed \$90,000.

- New agents to heal ulcers, avoiding hospital and surgical costs, have been shown to save Canada's health care system \$73 million in 1986.
- Today, there are an estimated 42,500 cases of Alzheimer's disease in Ontario alone. Yearly, direct and indirect costs to the province of \$34,900 per patient total \$1.5 billion and are growing astronomically. Surely, the investment in the search for promising drugs to treat Alzheimer's will soon prove its worth to society, not only in economic, but in humanitarian terms.
- A new vaccine against Hepatitis B, a product of genetic engineering just introduced in Canada, will cost 30 per cent less than previous vaccines obtained from human plasma.

## Improved Health and Quality of Life

Equally important to the role of medicines in the economics of health care is the contribution being made to the quality of life for the sufferers of disease.

There is no question that medicines have contributed greatly to the quality of life and standard of health Canadians enjoy today. Average life expectancy has increased from 60 to 77 years over the last 50 years. Infant mortality has dropped 90 per cent over the same period. As a result of new therapies, the five-year survival rate of cancer patients has risen to more than 50 per cent. New medicines in the last 30 years have reduced deaths from stroke by 40 per cent and from heart attack by 35 per cent. Vaccines have virtually eliminated smallpox and polio. New immunosuppressant drugs have increased the success rate in preventing rejection of kidney

transplants from 75 per cent to 94 per cent, freeing patients from debilitating dialysis. The discovery and development of psychotropic medicines have freed many sufferers of mental illness from institutions so that they can return to a normal, productive life in society. We are closing in on the prevention of diseases from a variety of causes.

## Therapeutic and Economic Benefits of Competition in Research

Clearly, evidence is accumulating that the interplay of price and product competition between rival pharmaceutical research companies, combined with the broad competitive research process by which safer, more effective new medicines are discovered and developed, brings great social and economic benefits to Canadians. Increasingly, manufacturers are being asked to document the superior cost-utility of a discovery relative to existing therapies at the time of market introduction before drug benefit plans are willing to pay for it. Most often, cost-utility is difficult, if not impossible to demonstrate except in the competitive marketplace. Policies which intervene to limit the physician's prerogatives to choose the best therapy for an individual patient, limit the patient's right to know and right to access to the latest technological advances, will disrupt the delicate interface of competition through price, product and therapeutic advance through research. They erode the quality and the availability of health care to Canadians, for the sake of questionable cost containment.

**Canadian Network Proposed for Research on Medication Use**  
University and industry researchers have proposed a "network without walls" to assess the risks and

benefits, and cost-impact of drug use on the health and quality of life of Canadians. The network will link the expertise of 17 health scientists at the Universities of Saskatchewan, McMaster and McGill with provincial data banks of health statistics to create a unique, world-class research and teaching capability on disease and drug use. Affiliated with the network are the Saskatchewan Department of Health and the Pharmaceutical Manufacturers Association of Canada.

Using computerized provincial data on medical diagnosis, drug prescribing and hospitalization, the network makes it possible to evaluate the relative cost effectiveness and risk/benefit value of drug interventions both before and after the introduction of drugs to the market. It permits intensified scientific surveillance during the initial introduction of new drugs and the cyclical review of older drugs to detect new, serious adverse effects, drug interactions, complications of use in concurrent chronic diseases and beneficial new uses.

Initially, research will focus on medication use by the elderly, in chronic illness, during pregnancy and in infants. Such assessments are seldom feasible in controlled studies to assure safety and effectiveness prior to market introduction. The network will enable regulatory authorities, through label or distribution restrictions, to avoid some serious withdrawals of essential, highly beneficial drugs associated with reports of suspected adverse effects. Knowledge built from the research will help physicians prescribe drugs in a safer, more rational fashion, maximizing therapeutic success for the patient. □

## BREAKING NEW GROUND IS NOT ENOUGH.

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THERE'S ALWAYS MORE

# Canada's New Patent Act (Bill C-22) - Exploding the Myths

One of the longest and most hotly debated issues in the history of Canadian Parliament focused on proposed changes to this contentious section of the Act, which was implemented in 1969.

**B**ill C-22 amended the Patent Act to permit Canada to ratify international patent conventions to which it is a signatory. These conventions foster the transfer of new technology among participating nations. The amendments were essential for Canada to keep pace with the rapid global advances of science and technology.

Because of changes made to the section of the Act providing for patent protection of the intellectual property or discoveries of pharmaceutical researchers in our universities and the proprietary medicine's industry, many other fundamental changes in the Act

were enacted. One of the longest and most hotly debated issues in the history of Canadian Parliament focused on proposed changes to this contentious section of the Act, which was implemented in 1969.

The changes were first announced June 27, 1986, after prolonged, cross-country and international consultation and a federal Commission of Inquiry, chaired by Dr. H. Eastman of the University of Toronto. The section of the new legislation dealing with pharmaceutical patents came into force on December 7, 1986. It followed cross-country hearings conducted by the Senate Standing Committee on Banking and a ping-pong match between the House of Commons and



The Honourable July Erol, President of the Pharmaceutical Manufacturers Association of Canada

the Senate, which involved amendments and counter-amendments being tossed back and forth between the two houses. The Hon. Harvey Andre, then Minister of Consumer and Corporate Affairs, steered the new legislation through the final days before passage.

## Patented Medicine Prices Review Board: A New Layer of Regulation

The legislation provided the innovation of new pharmaceutical technology from seven to 10 years of marketplace exemption in Canada from the production of generic copy products under a compulsory license. To assure the public that introductory prices are not "excessive" and that price increases for patented medicines do not exceed the inflation rate during the exemption period, Bill C-22 created the Patented Medicine Prices Review Board (PMPRB).

The Board monitors prices and reports to Cabinet and the Canadian public annually. It has the power to remove or withhold the period of exemption for any patented medicine

which exceeds the Board's Price Guidelines without acceptable justification. As well, the Board may remove or withhold the exemption period for another of the company's products, whether or not it has been introduced to the market.

The Board also monitors and reports annually to Cabinet and the public on the research and development investments of PMAC members. This is to ensure that investments meet the specified growth targets from 4.9 per cent of sales to the benchmark year to eight per cent by 1991 and 10 per cent by 1996. The legislation is reviewed by Cabinet in 1991, and by full Parliamentary debate in 1996. The novel new law provides for its own repeal or amendment if the price and investment performance objectives are not met.

## Steady Progress in Meeting Objectives

The Hon. July Erol, Minister of State, Mines and Minister Responsible for the Status of Women and, later, Minister of Consumer and Corporate Affairs in the former government, is now President of the Pharmaceutical Manufacturers Association of Canada (PMAC), which represents 72 companies in the innovative, research-based sector of Canada's pharmaceutical industry. According to her, these companies are making steady progress in fulfilling the objectives of the legislation and exploding the myths and misconceptions about the legislation which spread during and since its introduction.

## Prices Holding the Line

"Many skeptics and critics of the industry claimed that the Patented Medicine Prices Review Board wouldn't work," says Mrs. Erol.

"While the first annual report card from the Board has not yet been published, independent surveys of members' prices submitted to provincial drug benefit plans indicate that they are holding the line. Indeed, the latest available data from Statistics Canada show that the Consumer Price Index (CPI) has risen from 4.3 per cent in January to 5.2 per cent in August of 1989. But the manufacturers' selling price index for prescribed medicines has steadily fallen below the CPI from 4.6 per cent to 3.6 per cent over the same period."

"Admittedly," Mrs. Erol points out, "this index is not as sophisticated as that developed by PMPRB. It does not include the wholesale prices of all patented medicines and it includes prices of products for which the patent has expired and are thus not subject to the requirements of PMPRB. But it is a pretty sound, early indication that most PMAC members are complying with the objectives of the legislation. It would be interesting to see what is happening to the prices of non-PMAC companies and generic products by comparison."

"The question is: Why are generic prices so high, when they bear none of the research and market development costs that benefit Canadians with new medical discoveries? Yet their prices are up to 85% of the original brand, which must provide them with very high profits."

"Someone ought to do a survey."

## The Generics Aren't Hurting

"The generic sector of the industry cries gloom and doom for the Canadian-owned companies in that sector who a Bill C-22 will have debated and passed," adds Mrs. Erol. "What many don't realize is that of the four major generic companies, only two are Canadian owned and they are privately-held corporations. The other two are American-based. Together, the

Wholesale Pharmaceutical Prices: Q1 1984 (95)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 85
1988	39.1	39.1	39.1	39.1	39.1	39.1	39.1	39.1	39.1	39.1	39.1	39.1	39.1
1989	39.1	43.1	43.1	43.1	43.1	43.1	43.1	43.1	43.1	43.1	43.1	43.1	43.1

Source: Statistics Canada, National Post, The Globe and Mail, The Canadian Press

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Our commitment to drug development, testing, administration and education has allowed us to do pioneering work in the treatment of many ailments. Glaxo was a major early influence, for example, in creating the cause of asthma, instead of just treating symptoms. But far be it from us to rest on our laurels. We are now in the promising field development stage, and will bring to market within the next five years, revolutionary new treatments for illnesses such as migraine, depression and cancer.

Enabling us to do this is the determination, as a company, to stay in tune with today's and tomorrow's therapy breakthroughs. With one ear always on the track, Glaxo will continue to be a leader of Canadian pharmaceutical research and development. Because it isn't enough to simply break new ground, it's what you put on it that matters.



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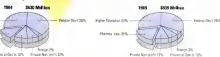
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A commitment that innovation will bring new hope



\*Note: Expenditures in Research and Development (R&D) by the health care industry (Pharmaceuticals, Biotechnology, and Health Care Devices) in 1984 and 1993 are based on data from the Canadian Council of Health Research.

two Canadian generic firms account for 96 per cent of the sales of the total membership of the generic associations. The top two members of PMAC account for only 14.5 per cent of the total membership's sales.

"Furthermore, in terms of the total number of prescriptions dispensed in Canada, these two companies are no small lightweight. They ranked number one and two with market shares of 13.9 per cent and 9.4 per cent respectively in 1988. Of the 71 members of PMAC, only one exceeds four per cent and one exceeds five per cent of the market. While the entire Canadian market grew by only one per cent in 1988, the two leading generic

firms grew by six per cent and four per cent respectively. It has been projected that, as existing patents expire over the years ahead, the generic sector will be able to grow three times as fast as it has in the past in Canada. It's time that Canadians put to rest the myth that a small, fledgling, publicly-owned Canadian generic industry will be irreparably harmed by R&C-92."

#### Research Expansion Ahead of Target

According to Mrs. Enlis, the plans of PMAC members for expanded investment in pharmaceutical research and development in Canada are under

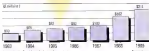
way and ahead of target.

"Another myth that surrounded R&C-92," she says, "was that PMAC members did hardly any basic, laboratory research in Canada; that the only clinical research done in Canada was that required by regulatory authorities for marketing; and that the industry couldn't be trusted to keep its public commitments to double research and development spending to 10 per cent of sales by 1996. Well, that scenario just doesn't match up with recent data from the Science, Technology and Capital Budget Division of Statistics Canada revealing that industrial research and development spending is

up to six per cent, led by a massive hike in pharmaceutical spending, spurred by recent improvements in patent protection. Projections for 1989 from the same division of Statistics Canada show that while government spending has declined from 36 per cent to 29 per cent of the total gross expenditures in health research since 1984, pharmaceutical companies have grown from 14 per cent to 21 per cent (see chart). An audit of PMAC members' internal research and development expenditures by Post-Markov shows that they have grown from \$59 million in 1983 to \$211 million in 1993, with increases of 57 per cent and 30 per cent in the last two years alone."

"That is pretty convincing evidence that PMAC members are sticking to their commitments. While the annual report of the Patented Medicine Price Review Board is not yet available, we expect it will show that our research and development investments, as a percentage of sales, will be well ahead of target. Our own internal surveys project that we should surpass the 1991 target of eight per cent of sales with expenditures in the area of 9.8 per cent. When we reach the ultimate goal of 10 per cent by 1996, or earlier, the pharmaceutical industry will be the second most research-intensive industry in Canada, after telecommunications equipment. It should also move us ahead from our last place ranking among the seven leading economic nations, our major trading partners, in terms of the percentage of sales devoted to pharmaceutical research and development."

"And there's another myth to explode. A survey of members' 1988 expenditures show that 84.4 per cent of investments was in basic, laboratory research, compared to 69.1 per cent in clinical research. In the plans for expanded research investments



\*As currently has shown, chemical companies

publicly announced by 25 PMAC members as of January 1993, 11 of the announcements included plans for basic, laboratory research in Canada. The 35 announcements, plus the announced expansion of the PMAC-Health Research Foundation totalled \$99.9 million, close to \$1.4 billion in new investments projected for the entire PMAC membership by 1996."

"Another of the anticipated benefits of R&C-92 for Canada was a 30 per cent expenditure on extra-mural laboratory and clinical research at universities and affiliated teaching hospitals across Canada. Our survey of 1988 expenditures show that this regional benefit has now increased to 33 per cent."

"One last misconception that still persists is that PMAC members won the battle and achieved their goal with R&C-92. The legislation did not restore full patent protection for pharmaceutical intellectual property. We are still out of step with other regulatory nations in international patent conventions. Compulsory licensing provisions for generic copies have not been removed. Few industries in Canada would welcome annual public monitoring of their pricing and research investment performance with the constant threat of loss of patent protection for their discoveries. It is our ultimate objective to demonstrate through our performance as responsible corporate citizens of Canada, that the restoration of full patent protection for the intellectual property of pharmaceutical researchers is ultimately in the best interests of Canada, domestically and internationally, as we enter a new era of rapid advance in health care high technology."

## CORPORATE SUCCESS IS NOT ENOUGH

Apart from fulfilling our responsibilities to our customers, employees and shareholders, we at Glaxo Canada have, and always will, play a significant part in another, larger arena — the society in which we live.

The Glaxo Charitable Foundation was established to administer, to the communities in which we live and work, funds we have allocated for charitable purposes. This money will support many fostered campaigns, health and human services agencies and programs addressing health and wellness issues. Also a priority was education and community services programs.

We've even developed a program where we provide donations to charitable organizations to which Glaxo employees provide voluntary services.

We at Glaxo will never view philanthropy as merely a corporate option. We instead gladly accept charitable giving as our corporate responsibility.

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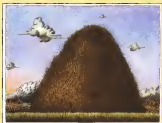
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## PMAC - Health Research Foundation Expanded Support for Health Scientists Across Canada

The PMAC - Health Research Foundation, with a tradition of accomplishment, has embarked on an exciting new future of expanded support for Canadian research in the health sciences.



Today, March 8, 1986,  
Mr. Colin Mallet,  
Chairman of the  
Pharmaceutical  
Manufacturers

Association of Canada (PMAC) - Health Research Foundation, today announced a major expansion of the Foundation's research support programs. Part of the research commitment of PMAC's 72 members under BHC-82 and funded solely by their donations, the Foundation's new program of 47 research awards per year to researchers in university health science facilities will total \$8 million by 1988.

### Bringing Research to Life

"Bringing research to life in Canada is our goal," said Mr. Mallet. "This major additional investment by the PMAC - Health Research Foundation in the Canadian research community and in Canada's brightest young researchers, is further tangible evidence of the innovative, research-based pharmaceutical industry's long-term commitment to expand research and research training in Canada, and to build research links between universities and private industry. Without the support of basic research by the innovative pharmaceutical industry, we will not be able to improve the quality of life for Canadians."

### In All Regions of Canada

The PMAC - Health Research Foundation, with a tradition of accomplishment, has embarked on an exciting new future of expanded support for Canadian research in the health sciences. One of the regional benefits of expanded industry research under BHC-82 was a projected increase of 50 per cent (from nine per cent to 13 per cent) of research funding in provinces other than Ontario and Quebec. As shown on



the chart of awards recipients, the Foundation is very much part of that process.

### Ensuring Patient Safety

Of the 200 most frequently prescribed medicines today, 156 have been developed since 1945 in the post World War II "drug explosion" period. Modern drugs of today are much more potent, more specific in their action at the disease site and can be a potential source of serious side effects and interactions. The study of the actions and interactions of medicines in the body is known as pharmacology. It covers the absorption, distribution, metabolism and excretion of drugs. The science of pharmacology developed in faculties of medicine at Canadian universities in the post-war period.

But as the number of potent pharmaceuticals expanded, so did the

need to ensure that they were safe and effective. To fully understand all the benefits and risks in order to protect the public from health hazards.

Beyond the need for experts in pharmacology to understand, precisely, all aspects of the safety of new drugs, manufacturers were increasingly required to develop and document scientifically rigorous evidence of the benefits and risks of a new medicine in a submission for review by the regulatory authorities of the federal Health Protection Branch, before introducing the product to market in Canada. This required closely controlled and monitored, statistically reliable studies in patients and healthy volunteers in the clinical setting. The need for pharmacologists with a high degree of expertise in clinical investigations became increasingly apparent.

**The Origins of the Foundation**  
Recognizing the shortage of the clinical investigators in Canada, the

members of PMAC established the Canadian Foundation for the Advancement of Therapeutics (CFAT) in 1964 to encourage the study and development of the discipline of "clinical pharmacology". The name was changed in 1976 to the Canadian Foundation for the Advancement of Clinical Pharmacology. Over the years, the Foundation provided research grants, fellowships, and matched research unit support grants totalling more than \$2 million. Today, clinical pharmacology is a recognized discipline in Canadian faculties of Medicine and six viable clinical pharmacology research and training units are in operation in university-

affiliated teaching hospitals. These include:

- Université de Montréal/Hôpital Hôtel-Dieu in Montréal (general clinical pharmacology)*
- McGill University/Alton Memorial Institute, Royal Victoria Hospital in Montréal (psychopharmacology)*
- University of Toronto Hospitals/Hospital for Sick Children in Toronto (pediatric clinical pharmacology)*
- University of Western Ontario/University Hospital in London (cardiovascular clinical pharmacology)*
- University of Manitoba/Health*

*Sciences Centre and Deer Lodge Hospital in Winnipeg (geriatric cardiovascular clinical pharmacology)*

-*University of British Columbia/St. Paul's Hospital in Vancouver (cardiovascular and respiratory clinical pharmacology)*

Other units which probably wouldn't exist today without funding from the Foundation or the clinical pharmacologists who were trained with the assistance of Foundation grants in the above units, exist in other locations in Canada.

They include:

-*McGill University/Montreal General*

*Hospital in Montreal*

-*University of Toronto/Addiction Research Foundation in Toronto*

-*University of Saskatchewan/University Hospital in Saskatoon*

-*McMaster University/St. Joseph's Hospital in Hamilton*

-*Dalhousie University/Chap Hill Hospital in Halifax*

-*McMaster University/Health Sciences Centre in St. John's*

Canadian clinical pharmacologists trained in these units are of world class stature. A former executive director of the Foundation, Dr. Peter

Nash, has observed: "The members of PMAC showed a great deal of foresight in establishing the Foundation. It has been responsible for getting clinical pharmacology on the map. Without the Foundation, clinical pharmacology, as a recognized discipline in medicine, would not have developed to the extent it has in Canada today."

The name of the Foundation was changed to the PMAC - Health Research Foundation in 1986, reflecting the broader scope of its private sector support for research and the training of researchers in the health sciences in Canada. Beginning in 1989, an expanded program of 57 various awards to researchers in

faculties of Medicine, Pharmacy and Nursing at Canadian universities will total up to \$1 million per year. Several of the awards are matched by the Medical Research Council, so are awarded from individual PMAC members in a new university-industry matched research funding program.

There is no question about it. The Foundation has embarked on an exciting new initiative which is putting science and technology on the move in Canada. It is generating the interest of talented young Canadians to pursue a research career in the health sciences. □



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# The Search for New Medicines: A Long and Costly Investment

The development of a new medicine, from discovery through to market introduction, can take from nine to 12 years at a global cost currently estimated at close to \$200 million (Cdn.).

**T**he development of a new medicine, from discovery, through to market introduction is a long and costly process. And the chances of a potential new therapy successfully making it past all the hurdles is 1 in 10,000. The process can take from 9-12 years at a global cost currently estimated at close to \$200 million (Cdn.), including the cost of research failures that are dropped along the way.

As shown on the accompanying chart, all the while the 17 year Canadian patent clock is ticking. The longer the process takes, the less time available to earn a reasonable return for shareholders' high rate of investment in the costly search for a new medicine, before a newer, better medicine is introduced, or the patent expires and generic competition enters the market. With compulsory licensing to make generic copies, the effective patent life in the marketplace for the originator could be reduced to 2-3 years, encouraging investors to put their money on either, less risky ventures, offering a better return than the expensive process of pharmaceutical research.

The Canadian system of assessing new drug discoveries is among the most rigorous in the world. Dr. Laurence Rapp, Vice-President of the B.W. Johnson Pharmaceutical Research Institute (PRI) at Ortho Pharmaceutical (Canada) Ltd. in Don Mills, a PMAC member lead to through the complex development process with a 300% Canadian example which is currently under review by regulatory authorities at the Health Protection Branch of Health and Welfare Canada.

Genital Herpes is a viral scourge afflicting tens of thousands of Canadians. It is responsible to cure



But the team of Canadian researchers at PRI have developed a topical medication which reduces the production of the virus in patients. It has the potential to substantially reduce the chances of transmission of the disease, while decreasing the duration and severity of the painful symptoms.

## Preclinical Testing

In late 1988, PRI acquired the rights to the drug. In 1970, the research team began their preclinical investigations to answer two key questions: Is the compound biologically active? Is it safe? If the answers to both appear to be affirmative, the researchers could proceed to test it in humans.

Working with Dr. Steve Seckels, infectious disease specialist and head of a genital herpes clinic at the University of British Columbia, the drug was tested in laboratory tissue cultures on virus strains taken from patients on the clinic. These tests confirmed suspicions that the drug was active in inhibiting both the Type 1 virus, which causes eye and facial herpes and Type II which is responsible for most cases of genital herpes. This meant it might

successfully be applied to the broad range of genital herpes infections. The results were published in a leading scientific journal.

## Preclinical New Drug Submission

Before human tests can start, the drug sponsor must file a Preclinical Investigation (IND) with the Health Protection Branch (HPB), showing everything that is known about the medication to this point, from description and development through pharmacology, toxicology and pharmacy research in the laboratory.

In late 1988, PRI researchers filed their INDs, proposing a program of "multicentre" clinical trials at a number of Canadian university research centres, to demonstrate the usefulness in treating recurrent genital herpes in humans. In Canada, the INDs became effective and testing in humans can commence if HPB authorities do not disapprove the submission within 60 days. PRI researchers began the first phase of human clinical investigations in 1989, while further safety testing in the laboratory continued until 1990

## Human Testing (Clinical)

There are three phases of human testing, each involving larger numbers of people than the one before.

### Phase I

**Safety Studies and Pharmacological Profiling:** This phase determines the drug's pharmacological actions, its safe dosage range, how it is absorbed, distributed, metabolized and excreted, and the duration of its action.

These tests involve a small number of normal healthy volunteer subjects (not patients), thoroughly briefed. They are treated in clinics, usually at universities, so they can be monitored and are kept under close observation. Phase I clinical testing can usually be conducted in less than six years.

### Phase II

**Pilot Efficacy Studies:** This consists of controlled studies in approximately 30 to 100 volunteer patients to assess the drug's effectiveness. Simultaneous animal and human studies continue to determine the drug's safety. Phase II clinical testing may require about two years to complete.

### Phase III

**Extended Clinical Trials:** Here the testing moves to larger numbers of volunteer patients, usually 500 to 5,000 in clinics and hospitals. The drug is administered by practicing physicians to those suffering from the condition the drug is intended to treat. These studies must confirm earlier efficacy studies and identify low-incidence adverse reactions. Phase III clinical trials last about three years.

Toward the end of 1988, it was clear to PRI researchers and the investigators (clinical pharmacologists) at the universities that the medicine had a useful rate of patient benefit in risk in reducing the chance of transmission and the severity of the symptoms of genital herpes. These were encouraging Canadian research results since no one else in the world had been able to produce objective clinical evidence for a topical cream to treat genital herpes. Even today, this medication remains the only effective product of its type.

## New Drug Submission (NDS)

Following completion of Phase III, the drug sponsor must file a NDS with the HPB, containing all the information the sponsor has gathered. NDSs

typically run into thousands of pages. The information submitted must include the chemical structure of the drug, scientific rationale and purpose, animal and laboratory studies, results of all tests in humans, formulation and production details, and proposed labeling.

In June, 1987, PRI researchers submitted their NDS, proposing to market the product as a prescription treatment for genital herpes.

On average, the NDS review and acceptance process by HPB takes two to three years. PMAC is working in cooperation with the Health Protection Branch to reduce a growing backlog of submissions awaiting review so that important, desperately needed new medicines are available to Canadians sooner.

## Approval

Once the NDS is accepted, the company will be required to periodically submit reports to HPB, including adverse reaction data and production, quality control and distribution records. For some drugs, HPB requires affirmative post-

PMAC is working in cooperation with the HPS to reduce a growing backlog of submissions awaiting review so that important, desperately needed new medicines are available to Canadians sooner.

marketing, monitoring, or additional studies to evaluate the long-term effects (Phase IV).

#### Information dissemination

Once introduced to market, the company's job will not be complete. Prescribing information must be presented to physicians and pharmacists by the company's medical information department and field representatives. Pharmaceutical companies have a continuing responsibility to ensure that practicing health professionals not only are aware of the medicine's availability, but that they have all the information

necessary to prescribe and dispense it appropriately to avoid problems and to properly inform the patient.

#### Improving the Quality of Life

"It has taken us 10 years at a cost of \$20 million in today's dollars to get our product to this stage," says Dr. Elias at PRL. "And we didn't have to go back to the chemical synthesis stage—we didn't have to start at ground zero. This is, however, a virtually 100% Canadian development that is further evidence of the ability of Canadian clinical institutions and companies to work together in the development of important new therapeutic agents. It has all been worth the while when you

realize that this product will soon be improving the quality of life for so many people."

## A successful research-based company



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# Biotechnology: The New Frontier in Pharmaceutical Research

Biotechnology, the science of understanding life processes themselves, was the stuff of science fiction only a few years ago. Today, it is a reality and the new frontier for research in the pharmaceutical industry.

Biotechnology represents a revolution in the battle against disease that is just beginning to come into its own in Canada. As we see the speed with which the products of biotechnology are emerging in recent years, it is difficult to underestimate the profound impact it will have on our knowledge of basic bodily functions, the identification of the causes of disease, earlier diagnosis, prevention and treatment through the production of antibodies, vaccines and proteins.

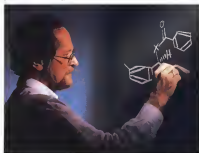
To demonstrate the pace of progress in molecular biology research one needs only observe that it took 50 years to identify the structure of adrenaline, a natural body structure that speeds up the heart. It took 18 years to develop the prostaglandin, Alprol, proteins, produced by the heart to regulate blood pressure were isolated in one year. Through biotechnology, we can now move from crude extracts of animal or plant materials to structure identification, production and testing in one year.

Biotechnology is the application of both processes of microfilm, plant and animal cells to the improvement of processing techniques including genetic engineering and gene splicing and the development of new medicines that take such specific and effective aim at bodily functions, without the side effects of traditional pharmaceutical chemicals, that they are described as "magic bullets". Some zero in on specific cancer sites where they are activated by a laser beam to "explode" the tumor.

And the impact on the pharmaceutical industry will also be profound. Through biotechnology, we can shorten the development and

clinical testing time required while reducing costs. Producing therapeutic substances by means of biotechnology is not simple. Proteins and the very life processes themselves, are infinitely more complex than synthetic chemicals. And manufacturing products of biotechnology is

companies often have a biotechnology unit as part of their overall R & D effort. More and more, we are seeing joint ventures and technology transfer arrangements between traditional pharmaceutical houses and smaller firms specializing in biotechnology. Most activity is concentrated in



completely different from making chemical drugs. In molecular biology, living organisms have to be grown and developed in specially designed manufacturing plants using cultures and mediums. And the work is done mainly by biologists instead of chemists. But the results are larger yields of purer, more effective and safer medicines at less cost, once the high initial start-up investments have been recovered.

Canada's biotechnology industry is only 15 years old and was off to a slow start as companies developed arrangements to make the transition. Most firms are small. Larger

agriculture, health care and waste treatment. Of some 200 companies in the field in Canada, 52 are working exclusively in the health care area and are spending about 45 per cent of the estimated \$200 million total expended in Canada on molecular biology research.

The two major medical applications of biotechnology are gene splicing, the genetic engineering tool of biotechnology and the production of monoclonal antibodies. Monoclonal antibodies, a group of proteins, can be used as diagnostic tools or to fight

Producing therapeutic substances by means of biotechnology is not simple. Proteins, and the very life processes themselves, are infinitely more complex than synthetic chemicals. And manufacturing products of biotechnology is completely different from making chemical drugs.

infections. Gene splicing techniques, which combine portions of the DNA molecule of different organisms, has resulted in several products which have been introduced to market since 1982. Genetically engineered human insulin to treat diabetes was the first to appear. Another is human growth hormone, used to correct the hormone deficiencies that lead to dwarfism.

A vaccine has been developed to prevent hepatitis B, a deadly, highly contagious disease carried by some 200 million people worldwide. Alpha interferon has been developed to treat hairy-cell leukemia, a form of blood cancer. Tissue plasminogen activator has been introduced to dissolve blood clots instantly and salvage heart

muscle by restoring oxygen supply to the heart in cases of myocardial infarct.

Another product of biotechnology recently introduced in Canada is recombinant erythropoietin, a natural human hormone which stimulates the production of red blood cells in bone marrow to treat leukemia resulting from kidney failure. Future applications could include treatment of anemia in other conditions such as rheumatoid arthritis, cancer and AIDS.

Earlier this year, the world's first therapeutic monoclonal antibody pharmaceutical was introduced in Canada by a PMAC member, which has a 94 per cent success rate in

reversing kidney transplant rejection. It is currently under study for use in bone marrow transplantation to treat end-stage adult leukemia. Potential future applications include other autoimmune disorders such as rheumatoid arthritis, cystic fibrosis and other organ transplantation procedures.

As for the future, Dr. N. Newell, a San Francisco consultant in molecular biology, predicts that biotechnology products can now be specifically designed, based on our fuller understanding of how proteins work, moving beyond the current stage that is limited to protein substances that can be isolated from known, natural sources. Now that Canadian scientists have isolated and identified the defective gene that causes inherited cystic fibrosis in children, the next step is to apply genetic engineering to the possible development of a replacement gene which can be transplanted to safely and effectively treat and prevent the disease.

Worldwide, some 80 medicines using genetic engineering are under development by the pharmaceutical industry. Cancer is the main focus of biotechnology research, with 40 products being tested for cancer or cancer-related conditions. There are 14 products being tested for AIDS or AIDS-related diseases. Twelve vaccines are being tested for hepatitis B, malaria and the AIDS virus. Major categories of biotechnology products in development include monoclonal antibodies (33), vaccines (18), interleukins (10) and interferons (10).

Biotechnology, the science of understanding life processes the new era, was the stuff of science fiction only a few years ago. Today, it is a reality and the new frontier for research in the pharmaceutical industry. □

## AIDS: An All-Out Research Effort of the Pharmaceutical Industry

The industry's response to this international medical crisis has been remarkable. Never before have the industry's research efforts been mobilized so rapidly and so vigorously against a single disease.

Twenty years ago, the disease "acquired immune deficiency syndrome" (AIDS) didn't exist. But in a few short years, it has killed tens of thousands of North Americans. Many more are diagnosed as having the disease and that is thought to be just the tip of the iceberg. The disease is a viral infection, spread through sexual intercourse or infection of the blood by contaminated intravenous injection. The virus depresses the body's natural immune system, leaving its victim vulnerable to opportunistic diseases and infections such as severe pneumonia, fungal and parasitic infections and a rare form of skin cancer.

Finding a way to cure or control AIDS has become a top research priority of the pharmaceutical industry. The industry's response to this international medical crisis has been remarkable. Never before have the industry's research efforts been mobilized so rapidly and so vigorously against a single disease. And never before we amassed so much scientific knowledge, so quickly, to understand the nature of the causative agent, the human immunodeficiency virus (HIV) and how it operates to disarm the body's immune system. With this knowledge, experimental therapies can be specifically designed to attack different phases of the AIDS virus life cycle.

But now others face an uphill battle as the technology of understanding and dealing with viral infections is just emerging. While the pharmaceutical industry has been very successful in developing anti-infectives to fight bacteria, viruses are much more difficult. They use normal human processes for their own survival. So medicines that destroy viruses can



also destroy normal human cells. The AIDS virus transmits its own genes into the patient's chromosomes, resulting in a life-long infection. And there are early signs that it mutates or changes into different varieties. Biotechnology and the application of genetic engineering to medical uses appears the most promising approach and the focus is on prevention, as much as cure. But much remains to be done and it must be done with urgency.

In North America, the number of medicines and vaccines in development

for the prevention or treatment of AIDS or AIDS-related conditions has nearly doubled in the past two years, from 55 to 67 medicines. The number of companies involving millions of dollars in this remarkable research race for the benefit of mankind has increased from 40 to 55.

Here in Canada, PMAC members are participating in this research

### Caring...



See Life Sciences Canada/108

The search for cure or prevention is the toughest research battle the pharmaceutical industry has undertaken. But both industry and the public expect the battle to be won.

challenge. There are 10 different medicines in multiple clinical trials and a trial for a vaccine is planned. A year ago, these drugs were being investigated and another five were being prepared for investigation. Of the 17 companies involved, 11 are PMAC members. As the industry expands its knowledge of AIDS and the medicines to treat it, combinations of drugs which act in concert are also beginning to be tested.

AIDS has forced a reassessment of the type and amount of data required by the federal Health Protection Branch before releasing a drug for use in Canada.

In cases of AIDS and cancer, the obvious goal is to make new drugs that

are effective or have potential promise, available in the shortest possible time, while protecting patients from wasting time and money on therapies that offer no promising scientific evidence of effectiveness and may even be hazardous.

The Health Protection Branch is committed to expediting the development of AIDS drugs and making them available to Canadians, where justified by medical evidence, as quickly as possible. The federal government's AIDS program now totals \$108 million. Joint funding by Health and Welfare and the PMAC - Health Research Foundation, of a new HIV Research Centre at St. Paul's Hospital in Vancouver, has just been

announced. Where medicines have received regulatory approval in other countries, the manufacturer is encouraged and assisted by the Branch to submit a Pre-Clinical New Drug Submission so that clinical trials in humans can commence as quickly as possible.

Through an Emergency Drug Release Program, medicines still in clinical trial and not yet on the market, can be made available to specific patients through their physician. Where patients are eligible to participate in clinical trials, they are encouraged to do so. Where they are ineligible, the Emergency Drug Release request is expedited where compelling medical need is established. Of the 10 medicines currently under clinical investigation in Canada, six are also available under the Emergency Drug Release Program, while another two are available under compassionate trial protocols.

In spite of all efforts to date, the victory in the war on AIDS remains elusive. The cost to society of losing otherwise productive lives is estimated in billions of dollars and the palliative care costs are overwhelming. The search for cure or prevention is the toughest research battle the pharmaceutical industry has undertaken. But both industry and the public expect the battle to be won. □

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One year before her debut as a ballerina, Melissa was admitted to a hospital's emergency department - drug overdose. Fortunately, the doctors were able to test Melissa right away with a remarkable product discovered by Dr. Post Pharmaceuticals. Melissa recovered, and a cancer was launched. The Dr. Post Pharmaceuticals product has saved thousands of lives in North America. It is used every day at hospital emergency departments to give people, like Melissa, that important second chance.

**WORLD-WIDE RESEARCH FOR BETTER HEALTH CARE**

**75**  
Bringing Research to Life



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## DRUG RESEARCH AND DEVELOPMENT

# Who needs it? Canada does.



Products of drug research developed in any country can help to improve the quality of our lives. But drug research and development when conducted in Canada, can bring more immediate improvements to all of us who live here.

### PARKE-DAVIS. IT CREATES EMPLOYMENT

Drug research requires the myriad skills of professional technicians and clinicians - all working toward a common goal: perfecting what we do know, searching for what we don't know. And Canada boasts some of the best people for these jobs by world standards.

It's a multi-faceted industry that can employ virtually thousands of Canadians in many challenging areas.

**Drug Discovery** - finding new substances that have desirable drug actions.

**Toxicology** - determining and measuring the incidence and severity of side effects associated with new drugs.

**Clinical Research** - showing that drugs work safely in patients and comparing them with other drugs to demonstrate where they can be most useful.

**Product Development** - developing stable tablets, liquid or injectable products for convenient use and establishing tests to ensure consistent quality.

Just imagine a new painkiller with discovered, a task nearly two decades for mass production and product forms to be perfected before it became readily available on a world-wide basis.)

### BUT THAT'S NOT ALL.

**DRUG RESEARCH INVOLVES CANADIAN HEALTH PROFESSIONALS AND THE ACADEMIC COMMUNITY.**

On an increasing basis, clinical trials of new drugs are conducted by leading Canadian physicians, many times in conjunction with major teaching hospitals. Universities gain substantially too, and not merely through grants and financial assistance. Physicians assigned to educational institutions provide valuable research to challenge their young bright students - our professionals of tomorrow.

So you see, drug research and development when conducted in Canada, can improve the quality of our lives - and the quality of our nation's health care system at the very same time.

**PARKE-DAVIS AND ITS WORLD-WIDE AFFILIATES SPEND MORE THAN \$250 MILLION DOLLARS EACH YEAR ON DRUG RESEARCH, AND A SIGNIFICANT AMOUNT OF THAT FIGURE IS SPENT RIGHT HERE IN CANADA.**

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Hence a healthier Canada - and a healthier you.

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**INVESTING IN RESEARCH • INVESTING IN CANADA**

## Helping people get the most out of life is what we're all about.

Every year, the Johnson & Johnson pharmaceutical family of companies spends millions of dollars in Canada on research and development.

To help people get well when they are ill. To help couples plan families. To relieve pain. And to search for cures.

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ALLERGAN PHARMACEUTICALS CANADA LTD. ANALGESIC ANTIHYPERTENSIVE ANTIFUNGAL MISCELLANEOUS PHARMACEUTICALS PSYCHOPHARMACEUTICALS

## An Industry Preparing for Free Trade in the 1990s

**"The impact may vary from company to company. But, by and large, I expect that Free Trade will have a gradual and neutral overall effect on the industry."**

**Q. Are we likely to see a concentration of the industry's production in the United States as a result of Free Trade?**

**A.** The impact may vary from company to company depending on individual circumstances and their preparedness to adjust. But, by and large, I expect that Free Trade will have a gradual and neutral overall effect on the industry.

**Q. What are some of the factors that lead you to that conclusion?**

**A.** Tariffs on active drug ingredients are scheduled to be reduced to zero over five years. Those active ingredients are scheduled for ten years. So, the impact should be gradual. However, companies prepared to adjust more rapidly can request acceleration of the process on tariff items. Canada-U.S. agreements to move towards harmonization of standards and facilitate transfer of scientific personnel may also expedite matters somewhat.

**Q. More tariff items as a barrier to trade in the industry?**

**A.** No. Both Canada and the U.S. import less than 10 percent of their needs, and in Canada two thirds of that are active drug ingredients. Exports are also low for both countries, 7 percent and 11 percent respectively, by comparison to the European industry. But low, mutually affecting tariffs in Canada (3-15%) and the U.S. (5-10%) have not been a barrier as much as non-tariff, regulatory factors, federally and provincially.

**Q. Could you estimate the impact of these regulatory factors?**

**A.** Yes. The industry operates in a highly regulated environment. While about 85% of the industry is



Mr. Bill Kanach, President and CEO of PMAC, Canada Inc., is the current Chairman of PMAC and majority delegate to the Second National Group on International Trade (SNGIT). In this interview he outlines the factors affecting the Canada-U.S. Free Trade Agreement and Canada's pharmaceutical industry.

headquartered in the U.S. or Western Europe, stringent labels, quality assurance and other federal regulatory requirements of the Health Protection Branch have been a significant factor leading to the development of a highly integrated structure for the industry in Canada. For most products, both the generic and the research-based sectors support the active medicinal ingredient, but manufacture the finished dosage form with non-medical ingredients, and package, label, and develop the market for the product's sale in Canada. Most PMAC members in the research-based sector also maintain medical information, clinical research and regulatory affairs departments in Canada. About fifteen also have basic research laboratory facilities, particularly in the biotechnology area.

Then the industry is a high "value added" industry with these Canadian operations accounting for an average of

about 67% of the total manufacturing value added.

However, the industry is highly unconsolidated and competitive. More than 130 companies compete for Canada's \$14 billion market, which is only 1% of the world market. None in the research-based sector has more than 6.7% market share. In response to these features of the Canadian market, most companies have modern, flexible equipment to produce cost efficient, short production runs that meet high quality standards, compared to the long, 24-hour industrial runs in the U.S. Our industry has much more expertise and experience on these short runs than the industry in other markets. This expertise is recognized world-wide.

**Q. What is the impact of provincial regulations?**

**A.** The Canadian market is a mosaic of ten different provincial regulatory environments, each with a different mix of policies aimed at cost-containment. In some limited provincial formularies or benefit list policies, lowest cost reimbursement policies and mandated substitution have intervened to distort competition in favour of the generic sector. Such policies are seen to create an "uneven playing field" which discourages a continuing commitment to manufacturing in Canada. The leading generic companies both have greater market share and faster growth than the research-based sector. Last sales to generic competition have created considerable excess capacity in the research-based sector.

**Q. How do these regulatory factors continue to influence the industry under Free Trade?**

**A.** In many cases, the high value added operations of the Canadian industry will exceed the 50% Rule of Origin of the Free Trade Agreement. Thus, combined

"Both Canada and the United States depend on Successful GATT negotiations to cement and strengthen the potential mutual gains of the Free Trade Agreement."

with export capacity in some plants and recognized expertise in flexible, short production runs can create opportunities for companies that are prepared to adjust. The challenge for our industry is to educate and advocate our competitive advantages in a global market place. For both American and European-based companies, using their Canadian operations as a tariff-free source for smaller volume, specialized products with a North American or global product mandate now present an opportunity to offset any losses which might result under Free Trade.

❑ How does GATT affect the Free Trade Agreement for the pharmaceutical industry?

❑ Both Canada and the United States depend on successful GATT negotiations to cement and strengthen the potential mutual gains of the Free Trade Agreement. However, recent changes to Canada's Patent Act (Bill C-32) did not fully restore patent protection for medicines and pharmaceutical intellectual property. We know that the Patented Medicine Prices Review Board, created by Bill C-32 to monitor the pricing and research investment performance of the industry in Canada, is being closely watched in the United States. Hopefully, the Board's regulations will not develop in such a way as to invite retaliatory trade sanctions through GATT or the U.R. Trade Act, based on inadequate

protection of intellectual property or trade-distorting policies. We are hopeful that the government revision of the legislation in 1995 and 1996 will demonstrate to the public that the performance of PMAAC members, in terms of price competition and research investment in Canada, has been exemplary.

An important agenda item for the current round of GATT negotiations is intellectual property rights. We expect that recognition of this, combined with the industry's performance under Bill C-32, will eventually lead to the restoration of full patent protection in Canada, equivalent to our major western trading partners. ☐

**THEY HAVE LONG LIVES AHEAD OF THEM.  
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Each day she gets older, we'll spend \$16,000\* to help her live longer.

\*Based on projected 1995 GATT negotiations in Canada.



# PMAC 75th Anniversary

## Special Events and Projects Highlight the Celebration of the PMAC 75th Anniversary in the Nation's Capital.

PMAC President John A. Fife and Dr. Tony Murphy, Chairman of the Board of Canada's National Museum, announce the opening of the PMAC exhibit "Bringing Research to Life" at the National Museum of Science and Technology.



Experts in industry, science, and technology advanced delegates during a dinner at the West Block, Parliament Hill.



**A** bove 400 delegates and guests from the scientific and professional health care communities gathered in Ottawa on October 31 for a gala celebration of the 75th Anniversary of the Pharmaceutical Manufacturers Association of Canada (PMAC). Founded in 1914, the Association is the oldest trade association in the country. PMAC represents 71 companies in the research-based, brand name sector of Canada's pharmaceutical industry. The companies are engaged in the research, development, production, marketing and servicing of prescription and professional non-prescription medicines.

**E**vents got under way on October 30 with the official opening of an exhibit at the National Museum of Science and Technology. The exhibit traces the historical development of modern medicines by the industry and the dramatic impact they have had on the quality of life and health care in Canada. The 1,000-square foot exhibit began a two-year course leading to a new science museum in April, 1999. More than one million Canadians are expected to visit the exhibit, information supplied by the project's sponsorship by PMAC, Astra Pharma Inc., Berlex Canada Inc., Bristol-Myers Squibb Canada Ltd., Sanofi Canada Inc., and Squibb Canada Inc., and the Museum.

Another project designed to mark the Anniversary is an exciting educational kit for students in grades 4-12. The kit requires a package of resource materials for teaching the history and research techniques in the discovery and development of medicines. Six thousand complimentary kits are being distributed in

both official languages in health and science education across Canada in 1989. The kit aims to generate student interest in future careers in the health sciences by providing a package of simplified Canadian scientists in the field as the industry expands its R&D investments in Canada.

The School Program was jointly funded by PMAC, Glaxo-Grigy Canada Ltd., Glaxo Canada Inc., Merrell Dow Pharmaceuticals (Canada) Inc., Miles Canada Inc., and The Upjohn Company of Canada.

PMAC Chairman, Mr. J. A. Fife, and Vice Chairman, Mr. J. A. Fife, and the 75th Anniversary Gala.



**A** reception and dinner the following evening in the West Block of Parliament Hill was the setting for an address by the Honourable Marwan Andri, Minister of Industry, Science and Technology. The Minister presented the dedication to the research-based, brand name sector of Canada's pharmaceutical industry in the private sector, at which the health care professionals' industry is one. The Minister challenged the industry to seek creative new ideas of collaboration with governments and universities in a concerted effort to keep Canada on the leading edge of global development in high technology.



Delegates view the new National Gallery of Canada.

McKean and Harrison Inc., DuPont Pharmaceuticals, Hoffman-La Roche Limited and Schering-Canada Inc. The exhibit has been published in a book entitled "Getting Action: Medicines of Caring and Health," which will be distributed to all seniors' residences and community centres across Canada.



**F**ollowing the Annual General Business Meeting of the Association on November 2, delegates were treated to a tour, reception and dinner at the dazzling new National Gallery of Canada.

**T**he theme of the General Meeting on Friday, November 3 focused on Canada's aging population and the impact of this on the health care system, our ability to fund the new level of access and quality of care available in the future and the impact of future research by the industry.

During the meeting, a dramatic television documentary film, "Conversations to Life," was presented. The half-hour docudrama reveals how modern medicines affect the everyday lives of one family whose breast cancer is stricken with a heart attack, ultimately necessitating a heart transplant. The film will be placed in distribution in 1990. It was sponsored by PMAC and ICI Pharm, Fraser Frost Canada Inc., Pfizer Canada Inc., and Syntex Inc.

That evening, the Ottawa Congress Centre was the scene of an informal, intimate evening with delegates and guests among in colorful period costumes. On display was an authentic recreation of a historic apothecary shoppe. The history of PMAC was reviewed in a video, media screen production, with narrations by Mr. Jack Kincaid, Chairman of the Program Committee.



Five regional winners of a careers essay contest, sponsored by PMAC members, awarded in Ottawa.

**D**uring the festivities, winners from five regions of Canada in a regional seniors' essay contest on health care medicines were introduced and awarded their prizes. The seniors were provided with an all-expense paid trip to the nation's capital to receive their honours. The contest was sponsored by PMAC and Abbott Laboratories Ltd., Apria,

McKean and Harrison Inc., DuPont Pharmaceuticals, Hoffman-La Roche Limited and Schering-Canada Inc. The exhibit has been published in a book entitled "Getting Action: Medicines of Caring and Health," which will be distributed to all seniors' residences and community centres across Canada.

Also on display during the meetings were three, 20-30 minute seniors' videos on the history of health care in Canada. The video features live interviews with retired doctors, nurses, pharmacists, researchers and patients (from past to present). The video will be distributed to seniors' residences, service clubs and local television stations in 1990 to this people, young and old, to help the experience of Canada's pleasure in health care. The films were financed by PMAC and R. J. Lilly Canada Inc., Parke-Davis Canada Inc., and the Johnson and Johnson family of companies, Johnson Pharmaceutical Ltd., McKel Pharmaceutical (Canada) Ltd., and Ortho Pharmaceutical (Canada) Ltd.



**A**mong the events was a media symposium organized by the PMAC Health Research Foundation. In contrast to the historic aspects of the celebration, the symposium focused on the future. Government and industry experts explored "Pharmacology: The New Frontier in the Research and Development of Medicines." Also featured were presentations by young Canadian researchers whose work at health science facilities has been or will be funded by the Foundation.

**C**elebrations came to a climax Saturday evening at the Ottawa Congress Centre with a gala, black-tie banquet where the prestigious PMAC Gold Medal of Merit was presented to Dr. Lap-Chue Tam and Dr. Jack Rowland of the research team at the University of Toronto and the Hospital for Sick Children, who accomplished the astounding research first of isolating and identifying the defective gene that causes Cystic Fibrosis in children.



Gala dinner at the Ottawa Congress Centre.



Dr. Jack Rowland shows his daughter the PMAC Gold Medal of Merit, which he and Dr. Lap-Chue Tam were awarded for the discovery of the defective gene that causes Cystic Fibrosis in children.

Dr. C. Sas (R.W. Johnson Pharmaceutical Research Institute of Ortho Canada Ltd.) Dr. G. Duncan (M.F. McLean, M.C. McLean, Chairman of the PMAC Health Research Foundation, and Dr. E. O'Brien of the Department of Industry Science and Technology at a reception at Parliament Hill. The New Research Premier in Pharmacology.



Dr. C. Sas (R.W. Johnson Pharmaceutical Research Institute of Ortho Canada Ltd.) Dr. G. Duncan (M.F. McLean, M.C. McLean, Chairman of the PMAC Health Research Foundation, and Dr. E. O'Brien of the Department of Industry Science and Technology at a reception at Parliament Hill. The New Research Premier in Pharmacology.

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Pouring resources and knowledge into a dedicated fight against suffering.

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Which is why any breakthrough that results in the release of a new medicine is the culmination of long years of exhaustive and thorough research. It is, in fact, the creation of "new knowledge".

The initiation of such invaluable work would not be possible were it not for the direct participation of world-famous research institutions and organizations.

Significantly, the goal at Ciba-Geigy echoes that of mankind's - freedom from suffering.

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Creating new knowledge  
for a healthier world.

Over 2,500 Canadians are affected with the disease and a further million are carriers of the defective gene. The discovery is described as the most significant in the history of genetics and will enable further research to develop a drug for the control and prevention of C.T.

The PMAC Health Research Foundation has announced its collaboration with Health and Welfare Canada to fund a new National Coordinating Centre for HIV Clinical Trials in Vancouver. Eleven PMAC members are among the companies that



is a lighter moment, which brought him to his knees. Dr. H. Berger, accepts a \$20,000 Collaborative Grant on behalf of St. Paul's Hospital in Vancouver for a new National Coordinating Centre for HIV/AIDS Clinical Trials jointly funded with Health and Welfare Canada.



Mr. Colin Meier, Chairman of the PMAC Health Research Foundation, presents Dr. Yip and Dr. Berger with the \$20,000 Award of Excellence made out to the Research Fund for Genetic Diseases in Children, to further their research at the Toronto Hospital for Sick Children.

currently have 10 different medicines in clinical trials for the treatment of AIDS or related conditions in Canada. The need for the new Centre arose as the number of promising new medicines in research increased dramatically each year.



## Quality Research... Improved Quality of Life

Good medicine doesn't just happen. It takes years of dedicated research. At Schering Canada, we focus our research efforts on developing treatments to help cure illnesses in areas such as cancer, dermatology and allergies.

And we aren't stopping there. We've expanded our present areas of research commitment and are breaking new ground in the treatment of cardiovascular disease. It's all with one goal - to improve quality of life.

The future holds many unknowns. But at Schering Canada we do know that new medicine will always be needed to fight disease. New medicine needs quality research. And that means better quality of life.

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# Celebrating a history of contribution to healthcare in Canada.



## A LISTING OF PMAC MEMBER COMPANIES AND THE DATES OF THEIR INCORPORATION

Abbott Laboratories Limited (1929)  
Adia Laboratories of Canada Ltd (1976)  
Alcon Canada Inc. (1959)  
Alliell Biopharmaceuticals (1985)  
Allergan Inc. (1966)  
Amersil (1974)  
Angelus Pharmaceuticals Inc. (1989)  
Asda Pharma Inc. (1954)  
Ayerst McKenna & Harrison Inc. (1929)  
Becton Laboratories Inc. (1976)  
Beech Canada Inc. (1960)  
Bio-Ming Inc. (1983)  
Bio-Research Laboratories Ltd (1965)  
Boehringer Ingelheim Canada Ltd (1972)  
Boehringer Mannheim Canada Ltd (1971)  
Bristol Laboratories (1934)  
Burgess Wellcome Inc. (1996)  
Chamco Ltd (1977)  
Ciba-Geigy Canada Ltd (1971)  
Cyanamed Canada Inc. (1993)  
De Paul Pharmaceuticals (1983)  
Eli Lilly Canada Inc. (1936)  
Fluor Pharmaceuticals (1982)  
Glaxo Canada Inc. (1962)  
Hoechst Canada Inc. (1957)  
Hoffmann-La Roche Limited (1933)

ImB BioChem International Inc. (1990)  
Isc W French & Associates Limited (1977)  
I.C.I. Pharma (1977)  
Interlab Canada Inc. (1982)  
Isolab Canada Inc. (1979)  
Ivers Inc. Limited (1999)  
Janssen Pharmaceutica Inc. (1982)  
Journal Inc. (1979)  
Kneil Pharmaceuticals Canada (1964)  
Leo Laboratories Canada Ltd (1983)  
Mallinckrodt Canada Inc. (1912)  
McNeil Pharmaceuticals Canada Ltd (1936)  
Meth Parul Canada Inc. (1980)  
Merrill Dow Pharmaceuticals Canada Inc. (1947)  
Miles Canada Inc. (1996)  
Norden Laboratories Inc. (1979)  
Novartis-Eli Lilly Pharmaceuticals Inc. (1994)  
Nocris-Techno Limited (1979)  
Oganex Canada Ltd (1998)

Orion Pharmaceutical (Canada) Ltd (1943)  
Pacific Pharmaceuticals Ltd (1983)  
Parker-Davis Division of Warner-Lambert Canada Inc. (1980)  
Pfizer Canada Inc. (1972)  
Pharmacia (Canada) Inc. (1965)  
Purdue Frederick Inc. (1968)  
Quanta Logic Technologies Inc. (1987)  
Reed & Carnick (1952)  
Rhône-Poulenc Pharma Inc. (1925)  
Richmond Pharmaceuticals Inc. (1976)  
Rivar Canada Inc. (1993)  
A.H. Robins Canada Inc. (1948)  
Roche Canada Inc. (1966)  
Roche Canada Inc. (1967)  
R.P. Scherer Canada Inc. (1936)  
Schering Canada Inc. (1950)  
Sealed Canada Inc. (1971)  
Servier Canada Inc. (1978)  
Smith Kline & French Canada Ltd (1950)  
Squibb Canada Inc. (1925)  
Skiel Canada Inc. (1979)  
Systex Inc. (1963)  
The Upjohn Company of Canada (1932)  
Winthrop Pharma (1979)  
Wyeth Ltd/Inc (1982)



Bringing Research to Life

PHARMACEUTICAL MANUFACTURERS ASSOCIATION OF CANADA

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virtual success in Cardiochek society. Last Tuesday evening, he spoke at a small 6 a.m. in his study, cluttered apartment and spent the first few minutes of the day reading religious material. But a few hours later, Miley Havel and other Cinc. Forum leaders sat across a table from Prime Minister Jean Chrétien in a formal setting—and successfully persuaded the Prime Minister to name a new cabinet government as a first step towards free elections.

Still, Miley quietly stated last week that he was "not a political leader" whose only aim is

had almost lost his job two years ago for calling for greater freedom in reporting.

**Pressure:** But these arguments did not satisfy his critics at Prager's barely any atmosphere. Staff members performed for Krug's dismissal, he said, and a teacher staged out his 14-year-old son at school and convinced him for his father's actions. Then, near the end of the week, Krug bowed to the pressure and resigned, just five months after becoming director general of state radio.

A Communist party member once he was 18,

concerned about the established power of the Communists "One must not underestimate the power of the Communist party," said Miley. "It has the police, it has the army, and there are many Stakhanovs inside the Central Committee. There will not be any progress." Said Vladimir Shalay, a senior researcher with the reformist Economic Research Institute in Prague: "What was dangerous was not Jandl and his people. What was dangerous is the political opposition. They are what you see in the West: all political attacks—they will have to make many compromises, but they will fight for their lives not to make the least change to the status quo."

**Beliefs:** Václav Kovár, the 50-year-old director of the famous magazine, also expressed that the party remains extremely powerful. A potential future prime minister and a member of the Communist party (his adult life Kovár has been at the forefront of efforts to reform the economy since the late 1960s). But last week, he urged opposition leaders to remain the present in the government and Communist opposition, which he labelled a "mule" that stood outside of the country after the 1989 revolution and subsequent purges of reformers from the party. "Only the Czechs have crumbled so far, but the Communists still have only moved out of sight," Kovár stated. "The opposition must keep up the pressure with energetic and radical demands for more changes."

In the next few weeks, these demands will likely be directed at ensuring that the new government is constitutionally binding. One scenario party official predicted "The democratic elections" within one year. But opposition leaders said that they wanted a vote within about six months. The government that emerges from that process, whether as political opponents, will have to handle the pressure of a mandate during the decade of Communist rule. Although the country has one of the strongest economies in Eastern Europe, it is poorly equipped to compete in Western markets, and the people would almost certainly suffer a drop in their standard of living in the transition period to a market economy. At the same time, Cardiochek, like neighboring Poland and East Germany, faces severe environmental problems such as acid rain.

Despite those problems, a mood close to euphoria prevailed in Prague last week. Five days after the opposition called off its mass demonstrators, people continued to wear the swatches of red-white-and-blue cloth in their lapels that they adopted as a badge of defiance against the government. Said Miley: "What is most important is that the psychological barrier between the people and the powers that be has been broken." Whether the problems ahead, that is, least, need not be changed.

ANDREW PHILLIPS in Prague



Advances (left) governing Havel the opposition dictated terms for political reform

to work as a parish priest. He added: "I really don't want to do politics. Very soon, I will jump out of this."

**Turnout:** But while once-reviled dissidents suddenly found themselves hailed as national heroes, others were less so. For example, Krug, the 64-year-old head of Cardiochek state radio, he said, described the pressure on him to resign. Many of his staff were criticizing him for being too much media time available to the opposition movement at the beginning of what he called "the turmoil."

Instead, he said that he wanted to be "balanced" programming to avoid excessive criticism. He said that he was not a political leader. He said that he was not a political leader. He said that he was not a political leader.

He acknowledged quickly that the party leadership had been and many other party members down—by refusing to reform and by refusing to let citizens lead the views of dissidents. Said Krug: "When I saw [Miley Havel] on television I asked myself, 'Oh God, how could we make a hero of this man?' If we got him on television two years ago, we wouldn't now be in this position. But we made of him a symbol of Cardiochek freedom." He added sadly: "We as a party are paying for our own stupidity. And the bill is very long."

But said the deputy of loyal Communists and the top of the opposition movement, there were indications that the power of the Communists, people continued to wear the swatches of red-white-and-blue cloth in their lapels that they adopted as a badge of defiance against the government. Said Miley: "What is most important is that the psychological barrier between the people and the powers that be has been broken." Whether the problems ahead, that is, least, need not be changed.

party has 17 million members, and its restructured apparatus controls all positions of authority. Although Cardiochek's army last week began clearing the country's "workers' clubs"—a type of private army directly controlled by the party—some reforms remained



Dubček a dissident

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WORLD

PHILIPPINES

## Democracy in peril

*Renegade soldiers fight to topple Aquino*

**T**he rebels attacked just after midnight on Dec. 1. About 400 elite police soldiers captured. Within minutes, near Manila, the Philippine capital. Seeing warplanes and helicopter gunships, they bombed the presidential palace and military bases loyal to the government. By daylight, the rebels whose ranks grew to nearly 2,000 soldiers early in the fighting, controlled two military bases, including part of Manila's main airport. By sunrise, largest troops, with air support from U.S. warplanes stationed nearby, appeared to have gained the upper hand. But the following day, rebel forces carried the battle into Manila's Makati business district and fighting erupted around hotels, stores and a building that houses the Canadian Embassy. On the third day of fighting, a fierce battle raged for control of Camp Aguinaldo, the central military headquarters. Earlier, in a statement broadcast on radio, the rebels demanded President Corason Aquino's resignation. But a defiant Aquino appeared on national television and refusing to negotiate with the rebels, retorted, "We leave them with two choices to surrender or die."

The rebellion was the most serious of six coup attempts since Aquino became president in February, 1986. After the first two days of fighting, according to the Red Cross, at least 50 people had been killed—many of them civilians—and more than 300 had been injured. Hundreds of families fled from their homes. And, despite Aquino's defiance, the military uprising underscored his increasingly tenuous hold on power and posed a threat to democracy itself in the Philippines.

Messages of support for Aquino poured in from around the world. Prime Minister Brian Mulroney sent a telegram assuring Aquino that Canada supports "the return to democracy that you and your government represent." A White House spokesman said that Washington would suspend aid if the Aquino government fell. U.S. officials said that American warplanes provided air cover for government troops at Aquino's request, but did not open fire. After fighting broke out near the 13-story building that houses Canada's embassy, Ambassador André Bernard told Maclean's in a

telephone interview from his residence in a nearby neighborhood that staff among the embassy's military office were allowing way of the 1,400 resident Canadians who telephoned to stay in their homes.

Philippine officials said that the uprising was led by General Gregorio Honasan, a former army colonel who took part in the military rebellion that sparked a so-called people-power revolt. But after Aquino was confirmed as office in an election, Honasan became disenchanted with the new government and in August, 1987,



Legal troops fight rebels: a president's defiance

he led an election coup attempt. He later escaped from custody and recently threatened to strike again, claiming that Aquino was soft on the country's Communist insurgents.

Last week's rebellion coincided with growing popular dissatisfaction. Despite its high hopes generated by Aquino's rise to power, little has changed in the lives of the 30 million Filipinos—half the country's population—who live below the poverty line. Even the Roman Catholic Church, which isolated Manila in the 1986 revolt, has charged that human rights abuses and corruption have persisted under Aquino. After last week's uprising, Roman Catholic Archbishop Jaime Cardinal Sin urged Filipinos "to support the duly constituted authority." But the survival of the country's hard-won democracy may well depend, in the long run, on improving conditions for the people.

MARY NEMETH with SCOTT STEELE in Manila and correspondent reports

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# The end of a dynasty

Voters reject Prime Minister Rajiv Gandhi

I had governed India for all but 20 months since the country gained independence from Britain in 1947. But when the last subsets of nearly 500 million eligible voters were counted last week, the dominions of the Congress (I) party—used of the family dynasty that controlled it for the past four decades—retired. Without party financing or one rail campaign in the three-day general election, President Ramkrishna Verma dissolved the Lok Sabha, or lower house of parliament. Then, 45-year-old Prime Minister Rajiv Gandhi submitted his resignation. Gandhi, who was swept to power on a wave of sympathy five years ago after Sikh bodyguards assassinated his cousin, the Prime Minister Indira Gandhi, knew it was difficult on the religious strife between Hindus and Muslims that caused hundreds of deaths during the campaign. Declared Gandhi: "The simple answer is that our party organisation didn't have the strength to cope with it."

In its worst showing since 1977, when vot-

ers rebelled against Indira Gandhi's emergency rule and elected an opposition coalition government, the Congress party won only 192 seats in the 543-seat chamber. The opposition National Front, a coalition alliance of five parties formed to defeat Gandhi, came second with 144 seats. In an effort to gain support for a minority government, Front leaders immediately began talks with the right-wing Bharatiya Janata Party (BJP), which won 111 seats, and two Communist parties with a total of 50 seats. On Friday, after several days of intense debate among opposition leaders over who will lead the new government, the disparate groups set aside ideological differences to choose

Vijayawada Pratap Singh, 68, the widely respected leader of the Front's largest party, Janata Dal, as their candidate for prime minister. With the final hurdle cleared, Verma named Singh to form India's next government. "My first task is to restore the dignity of the country," Singh told a news conference. "We should make an India of which every Indian will be proud."

A former finance and defence minister in the Gandhi government who resigned from the

Congress party in 1987, Singh has criticised Gandhi for his policy of assassinating militant government opponents and for slowing economic growth at the expense of social justice. He has also said that he wants to free television and radio from state control and turn them into independent corporations. But because his minority government's survival will depend on the parliamentary support of ideologically opposed parties, it was difficult to predict what domestic or foreign policy changes Singh will be able to carry out. Sent senior

Front MP George Fernandes: "We must have both the right and the left of the Indian political spectrum come together and make a serious effort to develop a national



Singh: India's new leader

congress as means facing the country."

Singh's Janata Dal party won the support of many of the country's 100 million Muslims, who have traditionally voted for the Congress party. Muslims, who make up about 12 per cent of the 633-million population, were enraged last month when Gandhi failed to stop Hindu mobs from looting the bookshelves for a temple beside a 16th-century mosque in the northern state of Uttar Pradesh. Hundreds of people died in clashes over the disputed site.

But after the election, Singh's National Front turned to the six Muslims for support in forming a minority government. The party, which won only two seats in the 1984 elections, rode the crest of resurgent Hindu nationalism throughout northern India to become the third-biggest vote-getter last week. The party advocates that secular India—dominated by 691 Indian Hindus—become a Hindu state, and it is committed to abolishing constitutional safeguards for the country's religious minorities, particularly Muslims.

In Punjab state, where Sikh militants have been waging a violent campaign since 1982 for a separate homeland known as Khalistan, the Congress party won just two seats and lost four. And two Sikhs accused of conspiring to kill Indira Gandhi in October, 1984, both of whom have been held without trial under anti-terrorist laws, won election for the hard-line Akali Dal party from their jail cells. Saying that he wanted to "bind wounds," Gandhi, in one of his last acts as prime minister last week,

dropped charges against one of the men, Sunjay Singh Bhatia. The alleged mastermind of the assassination, the 44-year-old Bhatia had resigned from the Indian Police Service in



Gandhi's scandal and sectarian strife

protest after Indira Gandhi ordered a bloody army attack in June, 1984, against Sikh militants entrenched at the Golden Temple in Amritsar, Sikhism's holiest shrine.

In other parts of the country, allegations of nepotism and corruption caused traditional Gandhi supporters to desert the Congress party. Many Indians complained of patronage appointments of Congress party supporters and pervasive government job-taking. Since 1987, Gandhi has been the persistent target of opposition politicians and Indian newspapers who charged that the Swedish arms manufacturer Bofors paid up to \$80 million in bribes to government officials and Congress party leaders to obtain a \$1.4-billion contract. Although Gandhi has denied that he personally accepted bribes, political analysts said that the tone of scandal—coupled with growing sectarian fighting—cost the party the election.

Gandhi himself won re-election to his parliamentary seat in the northern district of Amritsar. As well, the Congress party re-elected him as its leader. But the political dynasty began in 1947 by Gandhi's grandfather, India's first prime minister, Jawaharlal Nehru, was in ruins last week. With a fractured opposition poised to assume power, the world's largest democracy appeared to be on the verge of a new—and unpredictable—chapter in its 42-year history of independence.

ANDREW FELSEK with AP/D. ROSE in New Delhi

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# A MELODRAMA'S FINAL SCENE

The sign of the star—and author—just fell—of Canadian movie mogul Garth Drabinsky continues all the elements of a Hollywood melodrama. Crippled by polio as a child, he compensated with movie screenings, burning ambition and a flair for finance to become the boy wonder of the movie-theatre world. Now, age 44, Drabinsky, whose personal motto is *carpe diem*—Latin for “Seize the day”—built Cineplex Odeon Corp. into the second-largest movie-theatre chain in North America, with 180 locations in Canada, the United States and Britain. But last Friday, in a classic writhing of the most dramatic Hollywood screenplay, Canada’s King of the Silver Screen resigned from the company he had founded.

The closing act of the drama began last spring. In April, as doubts began surfacing about Cineplex’s financial health and its share prices began to slide, the Cineplex chairman, and a group of financial backers, tried to regain effective control of his company by attempting to purchase 7.5 million shares from Montreal’s powerful billionaire Beaudry family. But his action triggered counterattacks: Cineplex’s now-largest shareholder, Los Angeles-based entertainment giant MCA Inc., threatened to go to court to block the bid, and Drabinsky’s group was forced to make an offer for all the Cineplex shares, a bid that he was unable to get together. In the end, time simply ran out and the theatre chain’s board of directors approved a plan to take Cineplex off the market black and to sell some of its assets to reduce the company’s \$625 million in long-term debt.

The ineffectual entertainment lawyer has almost single-handedly revived the world of moviegoing. But for the past year, he had been playing the star role in a dramatic struggle over Cineplex’s future. Clearly, Drabinsky’s association with the movies will not be forgotten—and may not be over. Stan Norman Levy, chairman of Los Angeles-based New Century/Theatrical and a former vice-chairman of 20th Century-Fox Entertainment Group, “There is a lobby that I know of, or who comes to mention these past years, who has done as much for the movie business.”

Drabinsky will receive \$4.25 million net

## MOVIE MOGUL GARTH DRABINSKY GIVES UP HIS STRUGGLE TO BUY BACK CINEPLEX ODEON

former vice-chairman Myron Gottlieb \$3.85 million as part of a resignation agreement. They also agreed to buy the elaborately refitted Pantheon Theatre in downtown Toronto and the Canadian rights to Andrew Lloyd Webber’s musical *The Phantom of the Opera*, which is currently playing to full houses at the former moviehouse theatre, for an estimated \$88 million. Said the two men in a long news release after their long battle: “Over the past number of months, we have attempted to purchase the entire corporation and were unable to achieve this goal. Accordingly, we have decided to pursue other areas of activity within the entertainment and real estate industry.”

But that is hardly little compensation for the tough, temperamental Drabinsky who, until last week’s resignation, was one of the most powerful figures in the North American entertainment industry. With Gottlieb, he built a company that today operates approximately 1,680 screens in three countries. Last May “he built Cineplex into a movie company in less than six months. He was energetic in seeking, at the time and working on the way go—” he was an American dream,” noted renowned Canadian film director Norman Jewison. “He was a dynamic character, perhaps too dynamic.”

Ran into a middle-class family in Toronto in 1964, Drabinsky’s life has been marked by a fierce determination to succeed. A prodigious and successful struggle with childhood polio left him with an intense, driving energy. His demands for perfection and angry outbursts at colleagues who thwarted him have become



Drabinsky at the re-opening of the Pantheon Theatre’s ‘Sense and Sensibility’

legendary—in his obsessive drive to build a huge, diversified entertainment company. He also is known for his meanness, says But, and Jewison. “In a business where the operators are megalomaniacs, he came up against some bigger guys than he.”

Before he was 26, he had established a busy entertainment law practice and produced his movies. Then, in 1979, he teamed up with veteran movie-theatre owner and mentor Norma Taylor to found the first major chain of multiplex movie theatres in Canada. Along

with her, Drabinsky bought the 297-screen Canadian Odeon Theatre chain in 1984. But, ultimately, the Beaudrys’ lawsuit contained the seeds of Drabinsky’s downfall.

As his empire grew, Drabinsky poured millions into bank theatres with moviehouse designs, providing such luxuries as gourmet coffee and dancing hot butter on the popcorn. “He cleaned up the theatres. He gave viewers a clean white screen and great seats,” said Jewison. “The distributors didn’t care, and neither did the owners—they just wanted to make money. But Garth cared.” Drabinsky also began to build a reputation—and expensive—live theatre shows that balanced the company’s reputation for supporting the arts—but also added to its heavy debt load.

Last April, discouraged by Cineplex’s slow growth, Beaudrys agreed to sell his 30-per-cent stake in the company. Drabinsky laid up a group of investors with the \$300 million needed to buy the Beaudrys block. The purchase, together with the new pay-out just all owed by Drabinsky and Gottlieb would have given them effective control of Cineplex.

But that deal fell through. It was ultimately opposed by Cineplex’s largest minority shareholder, MCA, headed by president Sidney Sheinberg. While MCA owns 49 per cent of Cineplex, it has only a 33-per-cent voting share, according to its Canadian ownership structure made in 1986 when MCA bought into the company. After Sheinberg learned of the Drabinsky bid last April, insiders say that he was incensed. He quickly blocked the attempt by obtaining a court order requiring a similar offer to all shareholders. That created a stunning new requirement for MCA—buying \$700 million and \$12.5 billion—but forced Drabinsky to look elsewhere for financing.

The pressure on Drabinsky grew quickly. The movie-theatre Beaudrys group subsequently publicly expressed its disapproval of Drabinsky’s takeover, and MCA paid out a warning conditions for the bid. Such warning firms as Los Angeles-based Kelllogg Associates also called Cineplex’s accounting methods into question. As the controversy grew, Cineplex fell on the Toronto Stock Exchange from a 52-week high of \$17.50 to \$11.50 in November, and by last Friday—just prior to the announcement that control had finally slipped beyond Drabinsky’s grasp—it had dropped to \$5.50.

Investment analysts, however, say that with the fight for ownership resolved, the Cineplex share price could recover. At the same time, Senator Les Kelllogg, chairman of the Beaudrys family’s holding company, Cineplex Inc., and Drabinsky’s replacement as chairman of Cineplex, said that the company would try to cut its debt load “through some strategically planned asset sales.” For Drabinsky, that will be a tall order for a one-personing script.

JOHN BARNETT and PATRICIA GREENHORN with TOM FINNELL and MICHAEL HARRISTON in Toronto

## Business Notes

### SPECIFIC TRAFFIC CUTS

Canada and the United States have agreed to eliminate trade in goods worth \$5 billion worth of trade between the two countries starting April 1. International Trade Minister John Crosbie and U.S. Trade Representative Carla Hills partly reversed the progress in Ottawa 3 weeks ago, the tariff reduction program scheduled under the Free Trade Agreement. Included in the package was tariffs on aluminum products and steel accessories.

### MAJOR AIRLINE LAYOFFS

Canadian Airlines International Ltd. announced that it will lay off 1,000 employees as it takes steps to merge its operations with Western, which it purchased last April. The layoffs follow earlier announcements of reductions at Northwest—400 people at Canadian and 200 at Western—bringing the total job loss to 2,700.

### OPDC SETS HIGHER QUOTAS

The Organization of Petroleum Exporting Countries (OPEC) reached an oil production agreement that will push crude production up by 1.5 million barrels a day to 22 million a day for the first six months of 1990. Prices for crude oil traded worldwide said as a result of the higher production quotas.

### CORPORATE PROFITS DECLINE

Statistics Canada reported that operating profits for Canada’s major industrial corporations fell to their lowest level in 20 years, sliding 9.6 per cent during the third quarter after falling 13 per cent in the second quarter. Such poor results are seen by economists as an indication that a recession is imminent.

### A SOARING DOLLAR

The Canadian dollar soared to 85.40 cents against the U.S. dollar last Friday after reaching a record high of 85.25 earlier in the week. Financial analysts said that they expected further advances of as much as another half cent in the next few months as a result of the Bank of Canada’s continuing high-interest-rate policy.

### TAKEOVER PROPOSAL AMENDED

Imperial Oil Ltd. has amended its \$5-billion proposal to take over Toronto-based LDI. Imperial proposed the Competition Tribunal, which rejected its earlier bid. The new offer, valued at \$4.7 billion, includes the Atlantic provinces and set out specific supply guarantees for independent stations.



Senk's bomber in action: 'There is going to be a major restructuring'

## The price of peace

Defence cuts will cost thousands of jobs

Washington's Kennedy Center was sold out late last month for a performance by the United Red Army Chorus. Drawn to their outcountry crop, red-tinted faces, the Soviet soldiers from one of the world's great fighting forces spent their performance with *The New Spangled Banner* and closed with *God Bless America* as the audience stood and cheered. And fittingly, as the American chorus for the robust Soviet voices rang through the hall, terms like the Panama Canal, the Pentagon, grants and armaments were dropping like hot stones down U.S. military bases and to scrap multi-billion-dollar weapons systems that had been developed to avert what has become a warlike Cold War threat. And so presidents George Bush and Mikhail Gorbachev met in Malta on the weekend to further reduce major-power tensions, the new warhead in Washington towards Moscow cast a cold shadow on the U.S. weapons industry, which is heading into a steep decline. The cutbacks are also expected to hit Canada's \$3-billion arms industry, which each year ships \$1 billion worth of military equipment to the United States, although to what extent the cuts will affect Canada is not yet clear.

Spurred on by the U.S. budget deficit and the availability of political cash in Eastern Europe, Defence Secretary Richard Cheney has ordered U.S. military spending, which will total \$343.3 billion in 1988, cut by about \$26 billion over three years by going to 1985, the push for peace will carry a high price. The

Pentagon's cutbacks will mean sweeping changes in the multi-billion-dollar U.S. arms industry, perhaps forcing plant closings, layoffs, mergers and bankruptcies across the country, military experts say. But an even greater concern is that, while U.S. munitions slowly dwindle, the cuts could tip the arms race into a recession, perhaps dragging the rest of the world's economy down with it. Still, some economists believe that the American economy will boom if defence spending is curtailed to allow for more productive arms.

Cutting defence contracts and eliminating the thousands of jobs that go with them will be a painful political process for the Bush government. The powerful defence industry lobby is fighting desperately to hang onto business, and influential congressmen are fighting to keep jobs close to a minimum as their own constituents' lives slip. In the next eight years of steady increases in defence spending appear to have come to an abrupt end for military contractors who made billions of dollars during the 1980s on Pentagon contracts. Defence industry executives fear it

learned that the tide was turning when the Reagan administration slashed billions of dollars from military spending plans last year, five years after President Ronald Reagan referred to the Soviet Union as an "evil empire" and pushed annual defence outlays to \$307.6 billion in 1988 from \$171.2 billion in 1983.

Although Bush pledged continued increases in military spending while raising his priority, military analysts say that events in Europe and the growing U.S. budget deficit, now standing at \$158 billion, have forced him to change course.

Last month, Cheney called for the \$200-billion cut as part of the White House's drive to reduce military spending to five per cent from six per cent of the gross national product, which stood at \$57 trillion in 1986. Said Les Atlas, chairman of the powerful House of Representatives armed services committee, "Politicians are more afraid of the deficit than the Russians their voters."

The full severity of the reductions will not be known until next year. But early reports, compiled with the European defence industry, have led to the conclusion to cut all major U.S. aerospace, shipbuilding and military technology stocks. Last week, the New York Stock Exchange's Standard and Poor's Aerospace/Defence Index, which includes most of the big U.S. arms manufacturers, stood at 348.31, a 5.3-per-cent drop from 367.50 on Nov. 5—the day that the Berlin Wall was formally opened by the East German government—while during the same period, some individual

Cheney's push for peace



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Cheney's austerity measures will also have to impact on Canadian arms manufacturers who are already being squeezed in their domestic market. Indeed this year, the federal government cancelled an \$8-billion weapons-submarine contract and cut \$2.74 billion from planned military spending over the next five years. Still, Canadian Defence Minister William McNight maintains that "even if we see the normalization of political and military relations in Europe, Canada will continue to require soldiers, capable armed forces."

But the most concern in the Canadian weapons manufacturing sector is that the Pentagon's cutbacks could lead to demands for protection against the \$1 billion in Canadian military equipment sold in the United States each year. Sud Archibald Coombs, director of marketing for Holden-based aviation company Air Group Inc., which manufactures electrical cable harnesses, "Canadians may be left sitting on the outside."

Still, Canadian arms-makers say they hope that they will be able to maintain their role as specialized suppliers to the great U.S. military apparatus. Speakers for the London, Ont.-based David Broome of Group



Latent order, more military programs will continue

Motors of Canada Ltd. contend that they will win contracts to produce chassis for light-armored air-defense vehicles for the U.S. Marine Corps. And officials at Toronto-based tax technology Ltd., which manufactures flight simulators for the U.S. military, say that its market is secure.

Meanwhile, it is still unknown how badly the sharp reductions in military spending will hurt or stimulate the overall U.S. economy. While

some economists predict that the cuts will exacerbate the expected economic downturn, others think that the economy is resilient enough to withstand the sudden cutback in spending. Fred Thomas McInnes, president of Lufkin-Spencer Canada Ltd. of Toronto, "Even if the whole level of effort in defense drops significantly, there are a number of programs that are going to continue anyway—surveillance activities and the replacement of equipment."

There are even those who think that the military reduction will help the U.S. economy in the longer term. For one thing, a reduction in military personnel could redirect talent from the military and defense industries back into other industries, and the billions of dollars previously spent on the military could be redirected into the private sector. For another, economists say that the cuts could reduce the U.S. budget deficit, which could in turn lower interest rates enough to spur an economic boom in the 1990s. But, for now, the powerful arms industry is clearly being more accurate.

**JERRY DEMONT** with **WILLIAM LUTHER** in Washington, **AMIE GREGOR** in Los Angeles and **MICHAEL NABBYSON** in Toronto

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## Rating the season's business books

BY PETER C. NEWMAN

W hile it hasn't been a vintage year for business books, hell a dozen volumes claim various thrones. Here is the pick of the crop.

**Lost in the Address** by Christopher Ondaatje—Ondaatje's most selfish dropout, this former teacher of *For the Birds* turned over his investment portfolio built up from a borrowed \$3,000 two decades ago to a current worth of more than \$300 million to the Bradfords and went off to work in Japan. His diary of that journey—both physical and metaphysical—reveals in stark about Ondaatje as about the growing number of Canadian money men discovering there might be more to life than overnight profits.

The squabbling left on never be satisfied that, instead of liberating those elected by it, the regulators find themselves chained by its appetites: their self worth becomes their local worth, and life turns into a perpetual sequence of quarterly before-the-camera. Finally, however, he could afford it and since his life always began in modesty, Ondaatje's message is a reality. "For the greatest part of my life I had been preoccupied with achieving financial success," he writes. "It had been interesting and often exciting and gratifying, but the world of corporate enterprise, housing runs on power and profit, motivated and has a limited view of what the real world is all about."

**Hong Kong Money** by John McMillan and Thomas Penzell—A handy guide to how Chinese families and fortunes are influencing Canadian business, this rare volume follows the family histories and financial investment philosophies of Hong Kong's four richest citizens: Li Ka-shing, Lee Shau-kee, Cheng Yu-tung and Stanley Ho. That disastrous quarter-end sale of the top players described by the authors dominates modern Hong Kong, "the boiler room of capitalism—a plastic society, powered by the insatiable thirst of risk and the wider panic that came when being betrayed by a fellow player living on the razor's edge of extreme poverty."

*Entrepreneurs 'will resort to any action, sometimes illegal, sometimes immoral, always distasteful,' to prevent failure*

**Hong Kong Money** provides a Technician's snapshot of an economic phenomenon quickly changing the face of Canada cities and threatening to displace the Americans as our favored absolute leaders. Apart from the view of personal family, the situation of the British Crown colony's impact on Canadian society are startling. One example cited by Penzell and McMillan: 18,000 Hong Kong shamers are currently studying in Canada, another 50,000-60,000 graduates of Canadian universities are living in the colony. The University of Toronto's Hong Kong alumni association claims a larger membership than at Toronto chapter.

**Prerogative** by Sir Brown—In this wonderfully thought-provoking and satirical of the Billie family, who founded one of the world's greatest Tech Corp. Ltd., Brown skillfully exploits the absurdities of a family at war with itself. That retelling occasionally reads like fiction, as each Billie astutely crafts a course of action directly opposed to his or her own self-interest.

A becoming insight is the first published chronicle of the rise and fall of Denis Maclester: the marketing genius who ran the Canadian Tech chain from 1966 to 1985, then trapped

up by expending too quickly into the United States. There is also a quick description of how the Billie tried to spin off the company to their friends, opening the rights of other shareholders, only to be stopped by the Ontario Securities Commission.

**Company: The Building of an Empire** by Michael Biebel and Catherine Maloney—The authors never did manage to answer their subject, but there is enough here to explain why Robert Casper was loved to hell in his own, recent, major-building attempt—and why he will no doubt try again. As one of his former executives points out, "After Federal, it's going to be something else. He's got credits. Why did Napoleon conquer one country after another? The way this man thinks, there's nothing that he couldn't do, he couldn't conquer."

**Company: Strategies in a New Economy**, Gallo Duddy Kovacs, descended to give legitimacy to any one. The authors describe a recent success, early in 1985, which Casper's own, as a senior executive in a private sector where he believes that he is living with two families: one wife, Charles, and his mistress, Biebel—that he will find any executive who attempts to calculate his family life. The book's most striking section is the photograph depicting Casper's progressively more heavily loaded, even obviously, tapers.

**Mid-Atlantic River and Investment and Non-Investment Strategy** by Peter S. Spino—A Toronto economist with a graduate degree from the University of Chicago takes the generally accepted notion that business government highway deficits automatically produce high interest rates. This volume will be a useful tool for corporate and financial officers trying to estimate future movements of interest rates.

**The Entrepreneurial Edge** by Donald Renslie—As he reports on 100 interviews with Canada's most successful entrepreneurs, Renslie attempts to formulate guidelines for success based on their achievements. He fails because every entrepreneur must discover his or her own path to glory. But some useful generalizations do emerge. Few of the best entrepreneurs go into business primarily to make money—the basic business need to succeed and the support of what he or she is doing is far more significant surviving vehicle. When convinced by a competitor or disintegrating business conditions, deluded entrepreneurs will stop at nothing to save their dream. "They will react today schemes—sometimes illegal, sometimes immoral, always distasteful—that offers even the slightest hope of winning out before."

Although it is not a business book, an inventory of the 1980 publishing season can spare Robert Nassau Law's first book, *An Insider's Analysis*, the best and best of recent work in Canadian political journalism. Outwardly about low popular content was unimpressive during the 1980s election, Law takes on journalists. His much-sold-out book includes with large staff insights that reveal how each of the political players are handled by his opponents. It's the best read of the season.

## Another myth shattered:

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# THE AFTERMATH OF GLORY

For some hockey heroes, retirement is the ultimate penalty. But not for Gordie Howe, who, with his wife, Colleen, has collaborated with writer Charles Wilkins to detail his after-hockey for 10 yrs. grants in their newly released book, *After the Applause*. They write that Maurice Richard, 66, still dreams of making a comeback and that Bobby Hull, 50, has been "hiding time" since retiring in 1982. For his part, Howe, 61, said that he had no regrets about quitting. He added, "Physically, I was hurting so much that it didn't bother me."



Olita: "We don't have to be responsible."

## SEXUAL DETACHMENT

Often she is shy but, on a movie screen, Swedish star Lena Olita says that she is uninhibited. "When we act, we don't have to be responsible," added the 34-year-old who played an erotic lover in the 1988 award-winning *The Unbearable Lightness of Being*. Now, Olita is playing an equally sexual mistress in Paul Mazursky's adaptation of Nobel laureate Bobbie Singer's tale *Ensemble*. A *Love Story*, filmed in Montreal and to be released on Dec. 15, said Olita of acting out explicit sex scenes: "I will do it, because, after all, it isn't me, it's the character."



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## Meech appeal

Quebec superstar Richard Séguin says that English-Canadian like to mix music and politics. 30-though he has been a pop star in Quebec for 17 years, Séguin, 37, who sings only in French, said that he had expected to mix with some indifference during his recent tour through Ontario, Manitoba and into the Columbia. After all, he added, outside of Quebec, many record stores display his albums in their "imported records" section. "Although music from France and Italy," he said, his concerts sold out, and Séguin said that he was "delighted" to find many new fans who "were as curious about me and Quebec." Added the Montreal resident, whose recently released album, *Jeunesse d'Amérique*, has sold more than 100,000 copies: "Everyone wanted to talk to me." But he said that a lot of employees were looking for insights into Quebec politics. Said Séguin, "Many wanted to talk to me more about Meech Lake than my music."



Séguin mixing music and politics

## A HEART-STOPPING VICTORY

With one lock, David Ridgway became the 1989 Grey Cup hero, but the Brampton, Ontario, Roughrider says that he does not want to relive his moment of glory. Ridgway, whose last-career 35-yard field goal gave the Roughriders a 43-40 win over the Hamilton Tiger-Cats, says that he is not "as excited" as a person that he can "major" a degree with "I'd rather win by 10 points—that would be a lot easier." Ridgway said last week after being voted the game's most reliable Canadian by the Football Register of Canada. Still, success never fire earned him last season from the 17,000 fans who packed Reginald's Theatre in 1988 on Nov. 27 to witness the team home from Toronto. Ridgway, 36, who is the off-season works as a job-rehabilitation consultant in Regina, said that the Saskatchewan fans enjoyed the team's upset victory. Said the locker: "It's not the best province, comically. The football team is one of the few things people have to root for, and the fans have stuck with us."



Ridgway: "I'd rather win by 10 points."

## Today a movie, tomorrow the world

When 16-year-old Toronto actor Noam Zylberman got the starring role in the 1988 movie *The Outside Chance of Menimoth Glick*, he says that he was ecstatic. "I felt like God." But now that he has succeeded as an actor—the week he stars in the adventure mini-series *Tex Akins* on CBC TV—Zylberman says that he has bigger plans. Declared Zylberman: "You going to be a director and a Crown attorney—I have high hopes."

# The mystery of the Dead Sea Scrolls

New theories emerge about the contents

In 1947, a Bedouin shepherd boy stumbled across one of the most important archaeological discoveries of the century. Concealed in a cave on the shores of the Dead Sea, about 25 km from Jerusalem, he found a collection of seven ancient leather and papyrus manuscripts. During the next 50 years, archaeologists and Bible scholars found thousands of fragments from at least 800 texts in seventy caves. Experts concluded that the scrolls, written in Hebrew, Aramaic and Greek, were part of a huge Jewish library hidden from invading Romans around the time of Christ. Now, more than 40 years after the scrolls were discovered, a controversy has erupted over the fact that about half of the scrolls have not been published or even translated.

Indeed, one scholar in California claims that the men in charge of the scrolls may be trying to hide the fact that some of them depict an early form of Christianity that was secretive and virginal. Contravening one of the unpublished documents has flared at a time when some scholars are questioning fundamental beliefs about the scrolls. For years, many scholars have said that the scrolls were probably the work of a small Jewish religious sect known as the Essenes. But now, academics like Norman Glatz, a professor of Jewish history and culture at the University of Chicago, express a different theory. Glatz said that the scrolls may in fact represent the accumulated wisdom of a number of different sects of Judaism. As such, says Glatz, they could give historians and theologians a new perspective on the religious life of Judaism in early Christianity.

Because of the new theories about the scrolls, some academics say that it is all the more important that all the scrolls be published. Saul Margen Brodie, curator of the Shrine of the Book at Jerusalem, where the seven original scrolls are on display. "It's true that scholars have been dragging their feet for the past 40 years. It's an absolute scandal," Robert Reissman, chairman of the department



Dead Sea cave where the scrolls were discovered: new controversy

of religious studies at California State University at Long Beach, told *Maclean's* that he believes the unpublished scrolls may describe an early form of Christianity that is at odds with the Christianity that he says was heavily influenced by St. Paul. Saul Reissman says "The scrolls believe in having your enemies."

The one who leads the group of scholars in

charge of the scroll's projects claims that his group is moving too slowly. "We're not running a railroad," said John Strugnell, a professor of Christian Origins at Harvard Divinity School and editor-in-chief of the scroll project. Many of the scrolls consist of fragments, most of which are fragments that must be painstakingly pieced together. Strugnell said that all of the scrolls should be published by the end of the century. He has rejected demands that his group lease photographs of the unpublished scrolls to enable other scholars to examine them. Said Strugnell: "My problem is to get the scrolls published, not satisfy the wishes of particular scholars."

When the scrolls were first discovered at the caves at Qumran, the area was controlled by Jewish Jewish's research, King Heaton, awarded exclusive rights to study the scrolls to a team of seven academics. After Qumran and other Jordanian territory fell into Israeli hands in 1967, the Israeli government maintained the group intact. Still, under pressure from prominent Bible scholars, Strugnell's team was reorganized in the early 1980s to about 20, and more graduate students were brought in to help.

Although they object to the delay in publishing the scrolls, most experts dismiss suggestions that anything is being hidden. David H. Stokely, editor of the Washington-based, hard-core Biblical Archaeology Review. "I object strenuously to the secrecy. We don't know what the scrolls contain because they won't let us see them. But I strongly believe that the scholars with the scrolls are honest, unbiased and conscientious, and would never have any part in suppressing material." Others say that Strugnell and his colleagues are deliberately delaying publication to keep control of an important scholarly field. Reissman said that Strugnell and his team are deeply committed to the conviction that the scrolls are the work of the Essenes and nowhere in academic investment to protect.

Dating roughly from the end of the second century BC to the first century AD, the scrolls published so far demonstrate Jewish life up to the time of Jesus. Declared Rudolph Cohen, deputy director of the Rockefeller Museum in Jerusalem, where nearly all of the original fragments are kept in air-conditioned showrooms. "The Dead Sea Scrolls provide a unique link between Christianity and Judaism. They help us understand the sense of the teachings he preached." Still, the scrolls published so far mainly concern the pre-Christian period, including scrolls that proved



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to be the earliest known copies of most of the Old Testament books. Experts say that it is sectarian sectarian dealing with Jewish religious thought and the history of Christ's time that remains the most closely guarded.

Eusebius, for one, says that both the unpublished and published scrolls were kept in an early form of Christianity, before it was reshaped by St. Paul, a Jew who at one time fervently opposed Christianity, but became its leading missionary. According to Eusebius' Paul, in his earliest writings, displays a familiarity with the documents that are now known as the Dead Sea Scrolls. But, said Eusebius, Paul turned the content of the scrolls "into our and reversed it."

According to Eusebius, the published scrolls contain references to a "Paul-type character"—who is called a Jew and is the enemy of a righteous Jew—whereas in the unpublished scrolls, the Jew is the head of the early Christian community in Jerusalem. He adds that the scrolls depict the two figures as representing opposing movements within the early Christian church. Said Eusebius: "The scrolls say that the Paul character does not believe the Jewish Law and that he rejects the law." In Eusebius' view, the Jesus figure depicted in the scrolls represented ethical beliefs that are totally different from those of later Christianity. "The scrolls are vindictive," said Eusebius. "They are full of a malicious desire for vengeance. The scrolls are not interested in sinners. My theory is that we have a version of Christianity in the scrolls, Palestinian Christianity. The implications are explosive."

Eusebius added that Strougal and his group may want to delay publication of the unpublished scrolls because they think that there is a danger of the material being misunderstood. "There is a psychological urge to distance these materials as far as possible from the origins of Christianity," said Eusebius, "and that is one reason why they are going slow and we don't get to see [them]."

But the scholars at charge of the scrolls point out that the published documents referred to by Eusebius date from the first or second centuries before Christ and cannot refer to Christianity. Preserved by Eusebius, Strougal is going ahead but October to submit the scrolls in question to carbon 14 testing to determine their age. The results are expected to be available early next year.

Meanwhile, the debate over the long-delayed publication of hundreds of scrolls is likely to continue. Eugene Ulrich, a professor of theology at Marquette University in South Bend, Ind., who is one of the scholars working on the scrolls rejected claims that some documents are being suppressed because they might be embarrassing to Christianity as Jews are "absolutely bastards." Still, he pressures builds the likelihood, virtually the number of the unpublished scrolls can only grow.

MARK NICHOLS with WILLIAM LOWMYER in Jerusalem

## MEDICINE

# Lifesaving surgery

Doctors perform a pioneering liver transplant

For the first seven hours, the mood was tense in the green-tinted operating theatre at the University of Chicago Medical Center as a team of four surgeons worked on one of the human body's most delicate organs. As it began to appear that the operation would be a success, the atmosphere noticeably lightened. "That's really the fun part," said Dr. Christoph Reus, the leader of the surgical team, as he proceeded to implant a fist-sized piece of tissue taken from the liver of Thomas Smith, a 38-year-old Texas schoolteacher, into the liver of her 21-month-old daughter, Alyssa. As it turned out, the operation was marred by a series of mistakes that revived Reus' optimism. Still, the pioneering procedure could hold out hope for hundreds of children born in the United States and Canada each year with faulty livers.

The operation, which took 13 hours to complete, was the first at North America involving a liver transplant from a living donor. The operation was carried out because Alyssa was born with biliary atresia, a blockage of the bile ducts that usually proves fatal by the age of 3.

The procedure was technically difficult, and two complications arose. Hospital officials said that, while the surgeons were cutting off one-third of the mother's liver, they damaged her spine, necessitating its removal. Reus said that the loss of her spine could leave Smith more susceptible to future bacterial infections.

As they were about to implant the segment of Smith's liver into her daughter, the surgeons also noticed that it had a hemangioma, a small pool of blood under the thin layer of skin covering the liver. Dr. Peter Wathington, a member of the transplant team, said that he and his colleagues did not think the hemangioma was significant. But it began to bleed after the

operation, and Alyssa had to undergo five more hours of surgery to stop the internal bleeding. Reus' team changed from the second operation looking down had the surgeon. "We really, sincerely hope that we are taking as smooth waters now." At week's end, a hospital spokesman said that Alyssa's condition was "serious," but that the child was awake, alert and drinking liquids.

Many doctors have expressed interest in the Chicago Medical Center's work, but some said that they have reservations about using live donors. Said Dr. Carlos Siller, head of the transplant unit at the University Hospital in London, Ont.: "By cutting into the donor we offend the primary rule of medicine—above all, do not harm."

Until now, there was little hope for babies born with biliary atresia. Some infants suffering from the disease have been given livers transplanted from dead donors. Still, of the hundreds of Canadian and American children awaiting transplants each year, about half die before suitable organs can be found. There have only been four previous liver transplants involving live donors—in Australia, Brazil and Japan—and those were performed on children who were already critically ill.

Hospital officials said that the Chicago operation reduced the risk of rejection because the parent's tissue provided a closer match than that of an unrelated donor.

As well, doctors said that because the operation was performed while Alyssa Smith was still reasonably healthy, she will have a better chance of recovery. Despite the difficulties encountered in their first living-donor liver transplant, the doctors said that they would probably perform the operation on another baby this week, in an effort to perfect a procedure that could save thousands of lives.

BOLLER JENSEN with correspondent reports



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# Superiority complex

A new book about Japan stirs up controversy

Many foreigners who have studied Japan's culture claim that many Japanese view themselves as racially superior and culturally superior to people of other nations. In fact, it turns, Japanese politicians openly utter in a superiority complex because, they say, it was *their* still, they add that they have learned, somewhat to their surprise, that when those views pass beyond the closed confines of Japanese society, it is often as *applicable*—a grave diplomatic error. Now, a serious *apocalypse* has been inspired by a book entitled *The Japan that Can Say No*, written jointly by a distinguished Japanese intellectual and a popular right-wing politician. The book, which has caused a storm of controversy in American political circles, fairly asserts that, because of its people's intellectual superiority, Japan will dominate the coming new technological age.

The book, in which six chapters were written by Kiso Morita, chairman of the powerful

Way Corp., and five by writer and politician Shintaro Ishihara, says that Japan, which is now one of the world's richest industrial powers, should stop deferring to the United States, Tokyo, the authors insist, should simply say no to United States' demands that Japan voluntarily curtail its exports and open up its markets to American goods to help reverse the \$50-billion U.S. trade deficit with Japan.

Published in Japan last January, the book was never intended to be translated into English or distributed abroad. Sales in Japan were actually slow, until copies of an unauthorized 74-page English-language version of the book reached the United States and stirred an outcry in Congress in August. The book subsequently jumped onto Japan's best-seller list.

The most provocative sections of the book were written by Ishihara, a 37-year-old writer, filmmaker, politician, and politician who served as transport minister from 1987 until late last year in the government of former

prime minister Yasuhiro Nakasone. In his chapters, Ishihara appears to have been influenced by another best-selling Japanese book, *The Japanese Brave*, published in 1975. In that work, Takeuchi Takeuchi, an war, race and racist writer, reinforced the already existing Japanese language reinforced the unique character of Japanese braves. The Japanese, according to Takeuchi, are unlike all other races in having both words and comments in the left hemisphere of their brains. As a result, argued Takeuchi, Japanese thought is more coherent and superior to that of the rest of humanity. Taking up a similar theme, Ishihara writes that the Japanese are a "divine people." He adds that they may eventually develop into creatures resembling the extraterrestrial space creatures E.T., "with pronounced eyes and noses and a big head."

Ishihara denounces Americans as racists and argues that the United States is a weak military power with an inferior education system. Americans demonstrated their "rival attitude," says Ishihara, by dropping newly developed atomic bombs on Japanese—rather than Germany—often at the end of the Second World War. Ishihara derides U.S. missile technology for being dependent on Japanese semi-conductors and claims that Japan could "reset the entire military balance" if it decided to sell computer chips to the Soviet Union.

The chapters contributed to *The Japan that Can Say No* by Morita are much milder. Morita's criticism of the United States is confined to comments about the education system,

the quality of American goods and business practices, which he says are geared to short-term profits rather than long-range planning. The government of Prime Minister Toshiki Kaifu expressed some of the same sentiments earlier this fall when it was the Bush administration's detailed critique of the U.S. economy together with seven conditions that a new world have to be met with a positive response. Ishihara then could be from trade between Japan and the United States.

The book has stirred bitter resentment in Washington. "I've never seen any book that has caused so much consternation on the Hill as this document," said Senator James B. East, a Nebraska Democrat. For his part, Representative Mel Levine, a California Republican, said that Congress was particularly disturbed by statements that Japan might start sharing key military technology with the Soviets. Sen. Edwin "Doc" Baker of Tennessee said that the book's effort to be "inspired by anything."

Accused to raise the criticism, Kaifu's government has sought to deflect Ishihara—who is an influential figure in Kaifu's new Liberal Democratic party—in a right wing radical whose views are not widely shared. Morita reacted to the controversy by saying that he does not agree with some of Ishihara's "extremistic" ideas.



Ishihara: more than just a xenophobic extremist

The controversy over *The Japan that Can Say No* resembles other incidents in recent years in which nationalist or apparently racist statements by prominent Japanese have aggravated U.S.-Japanese relations. In 1985, then-

Prime Minister Yasuhiro Nakasone outraged Americans by declaring that the presence of blacks, Puerto Ricans and Mexicans in the U.S. school system had led to a lowering of American educational standards. In 1987, the relatively unknown Matsuo Ito became a best-selling author and celebrated Israeli and American Jews with a book that accused Jewish business interests of trying to enslave a politician in Japan.

Still, Ishihara cannot be dismissed simply as a xenophobic extremist. Political observers in Japan noted that his views have been widely published in Japan since the mid-1980s and they have attracted a response almost as strong as his own. Although Ishihara had a hard time becoming leader of the Liberal Democrats earlier this year, a recent opinion poll stated he was second in popularity behind Takeuchi. The charismatic leader of the Japanese Socialist Party, Ishihara has even been named as a future prime minister. But first, he will have to extricate himself from the arguments that he has created. While some of his comments may secretly agree with his opinion of the Americans, they will regard good relations with the United States as vitally important.

BOLGER JENSEN with KEVIN SULLIVAN in Tokyo



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Orphan's Anderson (left), Redgrave's talented unknowns audience big name stars

## THEATRE

# The Broadway bustle

New York stages are brimming with spectacles

**T**he wind outside Broadway's Last-Possibility Theatre was in chiding as a bad review. Tickets in hand, two very young women arrived for a performance of the new production of Bertolt Brecht's and Kurt Weill's *Jenny Holm*, starring the British pop superstar Sting as his stage debut. They made their way to their seats, which turned out to be precisely first-row center. "Wow," one exclaimed delightfully to the other, "Sting will be able to spit on it!" The driving power of a legitimate art is to be underestimated. But in the current New York City theatre season, the liveliest is street of youth, celebrities including Sting and Vanessa Redgrave are meeting in some of the least capitalizing productions. Type Daily and Tam Hales, however, are among the established actors who are not lighting up the Great White Way. And a few actresses seem to be very close—perhaps even within spitting distance—of stardom.

The current Broadway season, which began officially in June, has been the lushest in some years. By the end of December, 21 new shows will have opened, more than last year's crop. Of the 37 shows that have already opened this year, 11 are still running; they range from a revival of the 1956 John Styre-

Stephen Stratham entered, *Gypsy* at *A Few Good Men*, an absorbing military courtroom drama that marks the Broadway debut of 38-year-old playwright Aaron Sorkin. And Harvey Saksman, executive director of The League of American Theatres and Producers. "There will always be good shows and bad ones, but quantity and quality have improved this year over last."

Two of the most loudly awaited shows of the current seasons, however, are also among the least successful. *Orpheus Descending* is a revival of a 1967 Tennessee Williams play, the current production ran in London's West End before coming to Broadway in September. It stars Britain's foremost current production in the role of the young Vanessa Redgrave and was directed by her cousin, Sir Peter Hall, formerly director of Britain's National Theatre. At the center of the story is Redgrave's character, Lady Tarnish, the daughter of an Italian immigrant. "Lady" grew up in a bigoted southern U.S. town, where the remains locked in a loveless marriage in June, the owner of the local dry-goods store. While June is a spoiled girl of 16, a young driver named Ted Xaver (Sean Anderson) comes into her life.

As in other Williams plays, the sympathetic character in *Orpheus Descending* are poetic words, too fragile to come to terms with the world around them. They are long on sensibility and short on sense. Ted says things like, "My folks all scattered away like loose chicken feathers blown by the wind." Instead of trying to take down Williams's melodramatic excesses, Hall has chosen to play them up with well-known actors in *Orpheus* and a sound track of howling dogs and crows. Redgrave's performance is richly detailed, but seems too calculated.

In *Orpheus Descending*, much of the blame lies with the original material. But in the case of *Jenny Holm*, John Donat's understating director and Sting's enigmatic portrayal of the nobleman Mackintosh grip up one of the most sought-after pieces of stage inventory ever written and under it to nothing. The attack on capitalism by Marxist-Leninist Bertolt Brecht and composer Kurt Weill was first staged in Berlin in 1931. Mackintosh, its central character, is supposed to have enough charisma to get away with theory, bigotry and murder. Sting is handsome in his white spats and somewhat grumpy's moustache, but his performance is stiff and unengaging. Also, for some reason, his singing voice, which can be compelling in the recording studio, gets lost on the stage.

Mackintosh had to arrive on Broadway with all the excitement of a sale at Macy's. Frequently, they disappear almost as quickly. But when a second show message to grab itself onto the Great White Way, it can put down remarkably deep roots. *A Glass Men* has been playing there continuously since July, 1975, and *Orpheus* kept it company since October, 1983. *Orpheus* (January, 1980) and *The Phantom of the Opera* (January, 1980) repeat two of the most popular shows in town.

This season's most successful new musical is *Grand Hotel*, which opened on Nov. 12 at the Marquis Theatre. Based on the German producer that inspired the 1933 Hollywood version of the same name, it is about three interlocking at a luxury hotel in 1930s Berlin. The music, which was directed and choreographed by Thomas Yuse, is a landmarked new section of a decadent era that either vanished long ago or never really existed. The guests who pass through the hotel's revolving door include a Swedish aristocrat, a Jewish doctor, a young, ambitious but position-hungry and a ballerina on the last night of a career.

Section of a decadent era that either vanished long ago or never really existed. The guests who pass through the hotel's revolving door include a Swedish aristocrat, a Jewish doctor, a young, ambitious but position-hungry and a ballerina on the last night of a career. *Grand Hotel* almost has it all: a fine, if largely unknown, cast, breathtaking choreography and a beautiful staging. But its performance does not take the fact that its songs, by Robert Wright and George Forrest, are more bland than grand.

Because of the enormous risk and expense involved in mounting a Broadway musical, *Grand Hotel* cost \$3.6 million and most shows gross between \$2 million and \$9 million—averages are more common than new works.

*Gypsy*, which opened last month at the St. James Theatre, is one musical that is too hot to be danced in a period piece. The show is very loosely based on the memoirs of stripper Fanny Brice. When young dance was Louise. She and her sister, Jane, were pushed onto the vaudeville circuit in childhood by their mother Rose.

Despite the musical's title, its central character is the hard-boiled vaudeville stage mother. He was, his first full-length work to David Brown, who produced the musical. The show is a 1930s production. The result is a 1930/1960 production starring Don Hahn, who played

for their money on Broadway, but dreams are now far more sensibly based. *Gypsy* is based on the memoirs of Fanny Brice. When young dance was Louise. She and her sister, Jane, were pushed onto the vaudeville circuit in childhood by their mother Rose. Despite the musical's title, its central character is the hard-boiled vaudeville stage mother. He was, his first full-length work to David Brown, who produced the musical. The show is a 1930s production. The result is a 1930/1960 production starring Don Hahn, who played

Men is an intelligent and often funny play, superbly performed and peered at in a contemporary context.

Some of the most exciting New York theatre is scattered among off-Broadway houses. The New York Theatre recently presenting a double bill of plays by British Harold Pinter. Both star Jean Stapleton, a versatile actress best remembered as the dim-witted Betty Rubble on *The Dick Van Dyke Show*. In the Pinter's second play, *Monstrous Language*, makes an interesting counterpart to the other work in the program, *The Birthday Party* (1958), his second play in *Monstrous Language*, only 30 minutes long, a military police has captured a suspect, and his soldiers force the audience to speak "the language of the capital" rather than their native "monstrous language." Women visit outside a detention center to see their husbands and sons, by mistake, guests take one woman through the wrong door, and she sees her husband being tortured.

The themes of repression and the deprivation of language also run through *The Birthday Party*. *Monstrous Language* states a stage at a study English-made morning house in the form of two epicurean men in suits. In Pinter's hands, the most repetitive, vicious and pun-filled speech is rich with terrifying threats.

These who prove the poetry of the Bard can go to the off-Broadway Roundabout Theatre, which is currently mounting *The Taming of the Shrew*. Two years ago, B. D. Wong won a best-actor Tony award for his performance as a Chinese antiques-peddler who disguises himself as a woman in *Shrew*. Now, in *The Taming of the Shrew*, Wong carries with the fluid gracefulness of a trained dancer and speaks his lines with ethereal elegance. Frank Langella, known for his stage portrayal of Desdemona, brings dignity and warmth to the role of Prospero, the island ruler, in the upcoming production.

It seems likely that the season will occur as momentum into the new year. *Orpheus Descending* is expected to open in the off-Broadway Roundabout Theatre, which is currently mounting *The Taming of the Shrew*. Two years ago, B. D. Wong won a best-actor Tony award for his performance as a Chinese antiques-peddler who disguises himself as a woman in *Shrew*. Now, in *The Taming of the Shrew*, Wong carries with the fluid gracefulness of a trained dancer and speaks his lines with ethereal elegance. Frank Langella, known for his stage portrayal of Desdemona, brings dignity and warmth to the role of Prospero, the island ruler, in the upcoming production. It seems likely that the season will occur as momentum into the new year. *Orpheus Descending* is expected to open in the off-Broadway Roundabout Theatre, which is currently mounting *The Taming of the Shrew*. Two years ago, B. D. Wong won a best-actor Tony award for his performance as a Chinese antiques-peddler who disguises himself as a woman in *Shrew*. Now, in *The Taming of the Shrew*, Wong carries with the fluid gracefulness of a trained dancer and speaks his lines with ethereal elegance. Frank Langella, known for his stage portrayal of Desdemona, brings dignity and warmth to the role of Prospero, the island ruler, in the upcoming production.



Gypsy's Barbara Kerns (left), Susan Carroll, Daly: a vaudeville stripper and her pushy mother

Loosey, is magnificent as Madame Rose. While she does not have the wild brim of *Gypsy*, she reveals the humanity inside a larger-than-life character without suffering Rose's atrocious Crata Muses, who make her Broadway debut as Louise, is also outstanding.

Another reveal—and star vehicle—that has received more notice is *The Gypsy*, which opened last month at the Antaeus Theatre. A 1921 Broadway comedy by W. Somerset Maugham, it stars Sir Rex Harrison as a man who can only with his best friend's wife (Glynis Johns) develops the wife. The two meet up with the pack of the husband (Edward G. Robinson) and the son when the wife is freed for the first time in years.

Screen plays used to give the musical a run

Maugham in the 1944 film *Antaeus*. A fictional version of a true story, the play is set in motion with two women stationed at the U.S. base in Guatemala, Bay, Cuba—a legacy of the pre-Castro era—are accused of murdering one of their peers in Washington, an intense young female aviator (Maggie Gyllenhaal) suspects that a conspiracy has taken place. She and two other women, one of them an ex-convict who was freed by John, eventually bring the case to trial. It seems that the line of the commanding officers has played a significant role in the woman's death. After the trial, the play's characters leave the play's antaeus world when he says, "You don't need to keep a job on your own to have honor." Despite its comments on American history, *A Few Good Men*



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# Marital mayhem

Divorce dominates the season's darkest comedy

Kathleen Turner has shared some tight spots across, with Michael Douglas in their 1984 bromance-comedy *Romancing the Stone*, the men scarfed down a muddy drink in a Mexican jungle. For its 1985 sequel, *The Jewel of the Nile*, they landed the best of the Moroccan desert. And to film a scene in *The War of the Roses*—a viciously funny comedy about divorce that is opening across North America this week—Turner and Douglas spent hours dangling from a chandelier 45 feet above the floor of a Hollywood sound stage. “I’ve hung off 200-foot cliffs and stuff like that,” and Turner at a Los Angeles interview. “But hanging from that chandelier, I got more frightened than I’d ever been.”

Turner was demurely dressed in a beige skirt and brocade vest. But she is a big woman with a husky voice that sounds like it belongs in the blue house of an all-right bar. “I’m crying hanging from something with Michael,” she

said, drawing in a breath. “At least this time I wasn’t wet.” The actress paused to reconsider—her first scene in *The War of the Roses* shows her wearing a sheer blouse without a bra in a driving rainstorm. “No, I was wet,” she added. “This always was with Michael, too.”

*The War of the Roses* is the third movie in which Turner has costarred with Douglas and the grumpy-like DeVito. But it is by no means a sequel to *Romancing the Stone*. In fact, it has little in common with those frothy, sensu-lyte adventures—aside from an emphasis on physical comedy. It is a movie about marital combat that is fought with punches, furniture, cars, children, and chess figurines. A Christmas tree goes up in flames; a man taken a saw to his wife’s thigh

beds. Berked with savage humor, *The War of the Roses* is a customary title about divorce, a decidedly unromantic comedy.

Curiously discarded by DeVito, it also may be the funniest comedy ever launched as a major release by a Hollywood studio during the Christmas season. The ending is both satirical and anti-descriptive. And, like *Real Women*, the 1987 thriller that starred Douglas as a tormented adulterer, *The War of the Roses* is a full-on documentary social politics. A fat housewife risks through a chamber of domestic horrors, it is a risky move for a first date—and one that will leave seasoned couples with plenty to argue about on the way home.

Based on a 1982 novel by American author Warren Adler, it chronicles the violent disintegration of a 15-year marriage between Oliver (Douglas) and Barbara (Turner). The story begins with their first encounter, bickering against each other at an antique market. Oliver (Douglas) is a star gymnast (casting Turner as a gymnast is about as credible as casting the cut-like DeVito as a Harlem Globetrotter, but it defines her character as a divorce warrior with resilience and spirit—her own double takes a head-over-his-cumulative down a spiral staircase).

For a while, Oliver and Barbara are happy. He becomes a successful partner on a powerful



Douglas' decisions



DeVito, Turner, irredeemably obsessed by revenge and greed

Washington law firm. And she picks out a beautiful mansion that becomes home to their two children, a dog and a cat. As Oliver is increasingly consumed by his work, Barbara becomes increasingly determined to destroy the house. Then, one day, she wakes up to discover that she is bereft, miserable and eager for independence. Out at the film, she tells her baffled husband, “When I wake you up, when I look at you later, I just want to smash your face in.” And she does just that.

Divorce proceeds much more slowly in a deflation of war. Barbara wants no money but the assets on leaving the house, every square inch of it. On the advice of his divorce lawyer, Greta (DeVito), Oliver decides to move out. While their daughter, housekeeper (Charlotte Sigmond) watches with quiet compassion, the mission becomes their battlefield. The film-makers add to the art of excess that has become a trademark in Hollywood, where his budget steadily across complete without the destruction of at least one expensive automobile. But, after all, *The War of the Roses*

is a story of excess, of destruction gone mad. And, in every respect, there is nothing typical about it.

DeVito enters with unrelenting energy and imagination. In 1987, he made an impressive directing debut with *Thelma & Louise*. There, a joyful comedy about a would-be mother inspired by director Alfred Hitchcock's

classic thriller *Strangers with Candy*. After taking over from *Backwoods*, DeVito in *The War of the Roses* makes extra scenes, signs to brighten the comedy with a gaily sense of mischief.

The chemistry between Turner and Douglas looks like a love gas. And the script is remarkably well-timed to make an even postscript. Both are irredeemably blind by greed and the lust for revenge. If anything, Barbara seems marginally more spiteful perhaps because she is the one who is seeking her freedom, while Oliver still clings to delusion of romance.

Throughout the movie, DeVito's character serves as a witty narrator telling the story to a new client who has come in for office work. A film critic, in an episode, DeVito marks the symmetry of the story—and hints its story about ending—with a speech directed too pointedly at men by trading his satirical voice for some screen platitudes. DeVito creates a false note of morality in an otherwise ruthless tale. In fact, the film-makers presented various versions of the movie at test screenings. And



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## BOOKS

### Lonesome cowboy

*A moping main character drags down a new novel*

KEEP THE CHANGE

By Thomas McGowan  
(McClelland and Stewart, 220 pages, \$24.95)

**I**n the first few pages of *Keep the Change*, there are tantalizing signs that Joe Starling, the protagonist, will eventually amount to something—a painter, a rancher, a good lover, perhaps even an interesting character in a novel worth reading. But no. As a painter, he possesses technical skill but no passion. The same could be said of him as a lover. As a rancher he is attached to his land, but not enough to fight for it. Thomas McGowan, author of such well-received works as *The Book-whiskered Prince* and *Ninety-two in the Shade*, has peopled his last effort with some delightfully quirky characters. But as Joe McGowan has created one of the most depressed little dogs in modern American fiction.

Joe is a son of the Montana soil who wants to break away. His father is successful enough as a cowboy-turned-banker to send Joe to Yale, and indifferent enough to let him study art. Joe becomes modestly successful as a painter, and attracts Aileen, a spectacular beauty. The character of Aileen has great potential, but somehow, this volatile love affair takes like a well-concocted writer. "I see in the dirty sexual satanism," she murmurs at one point, "in which weeping, laughing, coughing, calling the dog an ensemble playing are equally so comfortable." When Joe gets uncomfortable, he sends her car and drives back to Montana. There at last, it appears, Joe will find art his destiny. But he has died a business chronicler, leaving a neglected ranch in the hands of relatives who assure Joe it will soon be his. Joe sets out to drive the ranch. And he takes up again with Aileen, the neighbor he befriended when they were teenagers, whose now married to Billy. Everything falls apart when Joe allows his relatives to cheat him out of the ranch's profits.

By the end, Joe signs over the ranch to Billy just to keep Aileen's greedy old daddy from getting his hands on it. And Joe appears to understand that he must return home, perhaps to Aileen, if this will have him. With any luck, though, she will dump this moping maniacal and the author will let her develop her own voice in a better book than *Keep the Change*.

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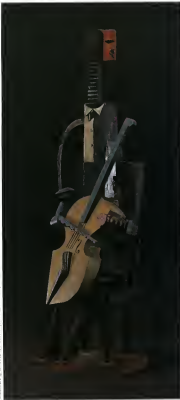
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## BOOKS

# An exceptional mind

*Exploring the brilliance of Northrop Frye*

NORTHROP FRYE: A BIOGRAPHY

By John Ayre

(Random House, 472 pages, \$26.95)

On certain days, in old-time with certain places and things, flying hair can be seen making his way across the University of Toronto campus. Still teaching at 77, Northrop Frye is the undisputed king of Canada's literary circles. Around his reputation is staggering. A 1978 *American Survey* found that the author of the groundbreaking study of William Blake, *Poetical Symbolism*, was the eighth most frequently cited writer in the world, behind Shakespeare and Karl Marx. But the man behind the name has been curiously elusive. Even at U of T's Victoria College, where he has spent most of his career, his private life has remained very much his own—at least until now. *Gawp! On-Taste* journalist John Ayre has just published the first book-length biography of the scholar. Northrop Frye, an erudite and meticulous history of Frye's long and productive life.

Ten years in the making, the book brings some welcome flesh and shadow to Frye's achievement. Frye's works often seem so much the product of a brilliantly functioning mind that it is easy to forget there is a struggling human behind them. But according to Ayre, Frye's struggles began very early. Herman Northrop Frye was born in 1912 in Sherbrooke, Que., after a difficult labor that almost killed his mother, Cassie. He was the youngest of four children: the father, Herman, because a hardware merchant whose business failures were a constant source of stress on the family. A physically endowed boy, overly protected by his direct and bookish mother, Frye began to read at 3. By 6, Ayre writes, he was dragging around a copy of *The Pilgrim's Progress*—like a teddy bear. "He also had a photographic memory: a gift that sometimes proved troublesome. After he had devoured the Herman Ayre books for boys, Ayre writes, "the words of *Algebra* and *Euclidean* were easy to come up with him like computerized junk for decades easily in the morning.

After breezing through high school in Montreal, N.B., Frye enrolled in U of T's Victoria College in 1929, beginning an education that would last the rest of his life. There, Frye came under the influence of gifted teachers, among them the rabid Platonist Edgar and the poet E. J. Pratt. He also met his future wife, arts student Helen Kemp, who was seduced by the young scholar's intellect. "He is not a much more sophisticated person who didn't take Frye too seriously," Ayre notes. "She quickly saw the person behind the delectable

erect of pretension and impudence." Years later, Helen would put away matters to the couple's Toronto home at ease by saying that she had not read all of "Herman's" books either.

The couple—who had no children—remained married until Frye's death in 1985.

Even as an undergraduate, Frye dreamed of writing a study of William Blake, the English poet and visionary whose dense, highly symbolic works had rebuffed the attempts of generations of scholars to understand them. Ayre is particularly good at showing how the problems of Blake dragged Frye for more than a decade, including his three years at U of T's Emmanuel College, where he entered training for the United Church ministry in 1933. In the summer of 1934, he worked as a student postcard among the drought-stricken communities of southwestern Saskatchewan. An ardent reader

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on the throne, Frye could not make small talk, or stay comfortable inside the house that was his only transportation. He retreated into his literary work, "trying to study Blake to lead open kitchens with loving tables and isolated people." His unhappy Saskatchewan experiences led him to abandon all hope of entering the ministry.

Frye eventually published *Peaceful Symmetry* in 1947 to a gradually swelling chorus of international acclaim. Frye gives a brief, detailed summary of what *Peaceful Symmetry* is about, but he lacks both enthusiasm and an imaginative understanding of Frye's vision. The same faults plague his discussion of Frye's other major works, including his complex 1957 treatise on forms of literature, *Anatomy of Criticism*, and his monumental 1962 study of the Bible, *The Great Code*. Frye also shies away from exploring how Frye's work—particularly his lifelong obsession with evoking intricate patterns of theories and symbols—is rooted in his personal life. Frye's thinking of men and work is minimal and rather mechanical; he leaves the apophyseal origins of Frye's creativity unanswered.

Frye is much more convincing when he evokes Frye the teacher. To the present day, Frye's lectures are crowded with listeners. Yet, as Frye points out, his teaching style is not electrifying in any conventional sense. He speaks slowly, with little apparent emotion, frequently pausing to cover a blackboard with diagrams showing the complex interrelationships of literary symbols. Yet, under Frye's dispassionate style, a definite fire rages. Frye describes how in 1953 one of his classes was named as Frye almost went while tracing a poem by Milton. Other classes have been answered by Frye's reputation that they respond to his questions with long, adoring silences. One undergraduate, Frye reports, was so worried that the students were wasting Frye's time that he moved the matter with one of Frye's colleagues, David Skene. Skene told the students not to be upset; Frye, he said, wrote his books in those silences.

In a factual sense, Frye's book is extraordinarily thorough. It details the tragic death of Helen, who suffered an aneurysm during a 1966 trip to Australia, and it describes Frye's happy serenade to a college classmate, Elizabeth Brown, a year later. The biography also covers Frye's extensive thinking on education; at times and his public service as a part-time communications with the Canadian Radio-Television and Telecommunications Commission from 1964 to 1977. It also traces his many successful trips to scholarly conferences abroad, particularly in Italy, where he is something of a cult figure. The phrase of Frye that emerges from all the detail is of a man at once shy and proud, and devotedly dedicated to the role of artist and critic in imagining a more civilized society. John Frye's *Northrup Frye* may not be the final word on the subject, but it gives a welcome glimpse of the exceptional man behind the mask.

JOHN HENDRICK

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BOOKS

# A brilliant career

Lester B. Pearson's success was due to talent

SHADOW OF HEAVEN: THE LIFE  
OF LESTER PEARSON  
VOLUME ONE: 1897-1948  
By John English  
(Lester & Gropes Design, \$14.95, 328 pp.)

**B**oth as diplomat and as prime minister, Lester B. Pearson often left others stunned and, under the charm of his easygoing, self-deprecating exterior, he concealed so shrewd secret will. In the first of a proposed two-volume biography, *Shadow of Heaven*, John English finds no evidence of that hidden side. But the author may have more

obscure in the truth he leaves the strong impression that what lay beneath Pearson's taciturn charm was simply great shrewdness. English's work also offers valuable insights into the strange background of Canadian, British and American suspicion and prejudice against which Pearson did much of his finest diplomatic work, from the mid-1930s through to the end of the 1940s.

English, a history professor at the University of Waterloo, takes Pearson from his 1897 birth to devoted Toronto-area Methodist minister Edwin Pearson and his wife, Anne, through the young Pearson's days at the University of Toronto where he studied history. The son that followed his subject to the First World War, where he served as a medical corpsman, as in Oxford University and then to a job as history lecturer at U of T, where he married one of his students, Maryon Noody. Those were the years and influences that helped to prepare Pearson for his career as Canada's greatest diplomat—in 1927, he became the only Canadian to have won the Nobel Peace Prize.

According to English, the first years of Pearson's war service destroyed "the last illusions of [his] adolescence and romance" but left his youthful soul unchanged. The author says that Pearson "believed in a Christian god, in progress, education and, not least, the war that devastated those values." By 1918, he enthusiastically and fully embraced with a government official to get into a more active war. He led to the Royal Flying Corps, but

Pearson never saw action. An accident, which Pearson said involved his being struck by a London bus, ended his military career. But English cites a medical-board report that mentions an airplane crash and a subsequent nervous breakdown, perhaps also caused by the stress of waiting to be tested in battle.

Pearson Oxford got Pearson—also by his last career, the academic. More—well so his way to a brilliant career. Shrewd, open and Oxford's other extraordinary activities, represented and matured him. In 1938, he founded and edited, the young department of external affairs, whose deputy minister, O. D. Skelton,



Pearson: a diplomat with more than chaos and luck

was staffing it with a group of talented officers. Pearson's diplomatic work overseas began when he was posted in London in late 1939.

The man of power and wartime suspicion against which Pearson worked now seems utterly unrecognizable. Prime Minister: Mackenzie King and Skelton both regarded Pearson as a liability. As late as June 18, 1959, King wrote in his diary, "I think Winston Churchill is one of the most dangerous men I have ever known." Skelton ordered Pearson not to talk much with British officials at the Foreign Office "in case we were they told him." Pearson actually agreed that order.

English's biography should dispel any lingering ideas that Pearson's success arose from good fortune. Writes the author: "More misguided to write his career away as a series of good luck, in the right place at the right time. There was more design and more direction than he admitted." Pearson was, in fact, astute and perceptive career advantages already. His capacity for hard work was enormous. And he possessed a superb intuitive understanding of power. When Pearson became prime minister in 1963, the Liberal party had a full policy agenda. When he retired five years later, he had implemented the cabinet agenda, even in the absence of a parliamentary majority. In politics, government and diplomacy, success at that scale is never possible by chance—only by talent, endless work and the hard and shrewd use of power.

W. A. WILSON

## MAGGIE'S BEST-SELLER LIST

### FICITION

- 1 *Solomon Gundy Who Hears*, *Walker* (1)
- 2 *The Pillars of the Earth*, *Wells* (2)
- 3 *The Dark Hall*, *King* (3)
- 4 *Reverend's Predecessor*, *King* (4)
- 5 *Smuggler*, *Archer* (5)
- 6 *Say Good, England* (6)
- 7 *Clear and Present Danger*, *Clancy* (7)
- 8 *Caribbean*, *Walker* (8)
- 9 *Devil's Star* (9)
- 10 *A History of the World in 10½ Chapters*, *Orwell* (10)

### NONFICTION

- 1 *The Heavens & Hell in Heaven*, *Walker* (1)
- 2 *A Canadian Garden*, *Walker* (2)
- 3 *Reverend's Star* (3)
- 4 *Warfare Inside Out*, *Clancy* (4)
- 5 *Smuggler in the North*, *Walker* (5)
- 6 *Northrup Pys & Biography*, *Archer* (6)
- 7 *Book of a Feather*, *Walker* (7)
- 8 *The Silence of Everyday Life*, *Walker* (8)
- 9 *Good-bye, My Love* (9)
- 10 *A Woman Named Jane*, *Walker* (10)

11 *Freedom and Justice*

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## In the corridors of the powerless

BY ALLAN FOTHERINGHAM

**T**here is something terribly useful about the few Democrats holding a convention to decide who will lead the ramp party that said to be the minority of the nation. One walks into the assembly hall that goes under the name of the Winnipeg Convention Centre—and suddenly—the 1930s are born again. Every member-leader from Saskatchewan is there. Odious politicians abound. Antwerp posters proliferate. They all hang around at Canada's tin residence. The corridors of this blandest concrete cube resemble a film set in Cairo. The most progressive party at all times to follow in footsteps.

Conventions of the Progressive Conservatives may be all about bigots and privileges of the Gibraltar and savings of yeggie lawyers, but this event is the only convention-overlooked by a shapely change. As usual, Central America plays a large part, although as far as can be determined there are no voting delegates from that region. The fiddling goes about this, and better men from El Salvador are given the assignments. Among the leadership banners on the walls is an Oriental scroll, passing as a salute as to whether Chairman Mao or David Suzuki is a late entrant in the list. Not so easily delegates from Mexico can disappear.

Sydney Lewis and Paul Rae and Gerry Caplan are posed at the top, power brokers who pretend they're not, plotting the drift of the convention. Dave Barrett, the man of the people, is in these portraits wears a red sweater sweater. He is in the back row, looking out at the microphone, he is missing down the side by his handlers, appearing for all the world like a Circus Bandle being escorted from the ring at Madison Square Garden. This is something after all, as Andy McLaughlin—sitting quickly to the great—takes the focus mask of an face model as the camera tries to catch a glimpse of emotion in the site in response listening to the Barrett pyrotechnics.

The concrete cube is kept alive by the show, a lady from Newfoundland, who calls nearly



for another vote on an obscure argument over Barrett's Rules of Order, reminding the "sassy people" back home to vote "Elph Nargay, as leader from Manitoba, enthusiastically given time to make a plea from Microphone One and reminded that he has just three minutes, says: "You give me three minutes. We've been making a century."

Grand ceremonies, charging Barrett and McLaughlin down the aisle, trumpet the massive tribulations in their monetary meanders. The best label button of all "Vander Zalm's rather than No Choice". There is more of the media work here—90s semi-wire bodies—than there are union delegates which tells you something of the changing state of the world.

This is the most advanced gear ever to contain a party leadership. Howard McCurdy has four degrees. Steven Langdon and lawyer Ian Wedell both have three. Audrey

McLaughlin has two degrees. Barrett has two degrees from universities in Seattle and St. Louis. Simon de Jong, who started out as a Jesuit priest, camp in Indonesia, has a degree. Even the broadcaster candidate, Roger Lagasse, has a degree. This much has been degrees from the entire Social Credit cabinet of British Columbia.

Perhaps that is the reason why they think there is a new law against taxes on the political platform. There is not a gulf in a corridor. McLaughlin, a social worker with the awareness of a social worker, seems to feel politics like a hunt for a fox. Barrett's idea of a hunt is to say he's two-to. Tommy Douglas, where are you now that we need you?

McCurdy sets a record by displaying more numbers than he has degrees. Minister Butler, coming

for Sunday Night, sees the whole proceeding through to 40th episode of the night with the air of an anthropologist in posited existence of an extinct tribe on a Pacific side. In the media room things have got so hot that they're even pouring the non-alcohol. Steven Langdon, with three degrees, tells a club joke that brings groans from even the children who are selling their tickets for the Niagara Falls Children's Fund Booth.

Barrett opens with an attempt at Bielebaker French but quickly cancels it with a mocking reference to "the Beachcomber Brothers"—the inside Ottawa reference to Ministry cabinet members Lucien and Benoit (not related)—that well automatically obliterate the microphone press present who think Pat Dwyer is down strong. The many years at Barrett's Cabinet makes a man better of measure.

There is, most apparent, the number 1 source of politics in this party of illusion. It is that the secret to success is to follow the crowd and you find out where it's headed and then spent out to lead it. The labor brokers, led by the strangely unacted Bob White of the secretaries—the same party who dangled on the vegetable. McLaughlin says—suddenly tried to jump on board as the convention opened.

They intended very much a clutch of notes, but in their surprise finding the train leaving the station, sprinted in desperation to prop the rear end of the caboose as it rolled down the track. It was not the most pleasant spectacle to behold (but then, politics never is). Even in the land of nonsense and false promises about Central America is an explorer hunger where no one can hear the lyrics.

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